Transit Authority of River City

MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: September 25, 2024

Re: Resolution 2024 - 33 Annual Worker's Compensation Excess Insurance Policy (20241891)

TARC's Workers' Compensation program currently self-insures the first $500,000 of any claim, including both medical payments and indemnity benefits. Due to TARC being a self-insured organization, the Kentucky Labor Cabinet requires that TARC maintain an excess insurance policy.

Charles Taylor is TARC's third-party administrator for workers' compensation and acts as our agent to acquire quotes for premiums for any Excess Workers' Compensation insurance. Charles Taylor was able to obtain quotes from two insurance companies, Arch and Midwest. The current policy which is with Arch for a premium of $285,050 expired on August 31, 2024.

A review and discussion regarding the quotes were conducted by TARC Finance, Executive and Safety Security staff along with Charles Taylor personnel. Based upon that review and the recommendation by Charles Taylor, TARC staff recommends staying with Arch, who has been the excess insurer for workers' compensation since September 1, 2017. Arch has remained competitive based on its quote detailing three different options (20241891) with the new premium percentage minimally increasing with a similar option and coverage that TARC had in 2024. TARC has deemed an annual premium of $288,877 as fair and reasonable.

The staff is hereby recommending that the TARC Board of Directors authorize the Executive Director to enter into a policy agreement with Arch Insurance Company that has a specific retention by TARC of the first $500,000 on any claim with an annual premium of $288,877 beginning September 1, 2024.

Please call me at 561-5100 if you have any questions. Thank you.

Transit Authority of River City

RESOLUTION 2024-33
Excess Workers' Compensation and Employers Liability Annual Insurance Policy

A Resolution authorizing the Executive Director to enter into an annual excess insurance policy for Workers' Compensation with Arch Insurance Company for the 2024-2025 policy year in the amount of $288,877.

WHEREAS, Kentucky Administrative Regulation (KAR) 803 25:021 requires self-insured employers to have excess coverage for workers' compensation claims; and

WHEREAS, TARC received two quotes with one being from Midwest and the other Arch Insurance on August 26, 2024; and

WHEREAS, based on the recommendation of the third-party administrator, Charles Taylor, and after discussion with the department staff, TARC has deemed an annual premium of $288,877 as fair and reasonable given by Arch Insurance for the Excess Workers' Compensation and Employers Liability insurance policy which shall commence on September 1, 2024 and end on September 1, 2025 and which was commensurate with TARC's coverage last year with a slight increase in the premium owed; and;

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE TRANSIT AUTHORITY OF RIVER CITY HEREBY RESOLVE THAT:

The Executive Director is hereby authorized to enter into an annual excess insurance policy for Workers' Compensation Coverage with Arch Insurance Company in an amount not to exceed $288,877 for the 2024-2025 policy year.

ADOPTED THIS 25th DAY OF SEPTEMBER 2024

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Ted Smith, Chair of the TARC Board of Directors