Transit Authority of River City

MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: October 23, 2024

Re: Resolution 2024 - 37 Annual Worker's Compensation 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. The current policy expired on August 31, 2024. Due to TARC being a self-insured organization, the Kentucky Labor Cabinet requires that TARC maintain an excess insurance policy.

On September 25, 2024, the TARC Board approved Resolution 2024-33 for an annual excess insurance policy for Worker's Compensation with Arch Insurance Company for the 2024-2025 policy year in the amount of $288,877.

However, it was determined the $288,877 is the minimum premium, but the $304,081 is the deposit premium which is due. The minimum premium is less in case TARC's payroll at audit comes in lower than the $33,052,274 projected for the 9/1/24-25 term. This premium requires an additional $15,204 be expended.

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 for the additional $15,204 that has a specific retention by TARC of the first $500,000 on any claim with an annual premium not to exceed $304,081 beginning September 1, 2024.

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

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Transit Authority of River City

RESOLUTION 2024-37
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 additional $15,204 that has a specific retention by TARC of the first $500,000 on any claim with an annual premium not to exceed $304,081 beginning September 1, 2024.

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

WHEREAS, TARC received three (3) quotes from 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 the additional $15,204 not to exceed $304,081 annual premium as fair and reasonable based on the three quotes (20241891) acquired and provided 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;

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 insurance policy with Arch Insurance Company for the additional $15,204 that has a specific retention by TARC of the first $500,000 on any claim with an annual premium not to exceed $304,081 beginning September 1, 2024.

ADOPTED THIS 23th DAY OF OCTOBER 2024

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Ted Smith, Chair of the TARC Board of Directors

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