Transit Authority of River City

MEMORANDUM

To: TARC Board of Directors

From: Ozzy Gibson, Executive Director

Date: August 26, 2025

Re: Resolution 2025-33 Workers' Compensation Excess Insurance Policy (20251956)

TARC's Workers' Compensation Excess Insurance Policy 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. Higginbotham is our insurance agent for workers' compensation excess insurance claims acquiring premium quotes on our behalf. The current policy of $288,877 will expire on August 31, 2025.

Higginbotham provided four (4) quotes to TARC. Based on quotes received from Midwest Employers, Safety National, Arch, and Chubb, Arch provided the best value we are seeking. A pricing analysis was conducted comparing the four (4) quotes received. A review and discussion regarding the quotes were conducted by Finance, Executive and Safety Security staff. Arch has presented the most economical and viable estimate; thus, staff is recommending to award the contract to Arch, who have been the excess insurer for workers' compensation since September 1, 2017. TARC has deemed $384,796 annual premium price as being fair and reasonable.

This Resolution seeks approval for the Board of Directors to authorize the Executive Director to negotiate and 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 $384,796 beginning September 1, 2025.

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

Transit Authority of River City

RESOLUTION 2025-33
WORKERS' COMPENSATION EXCESS INSURANCE POLICY

A Resolution authorizing the Executive Director to negotiate and 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 $384,796 beginning September 1, 2025.

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

WHEREAS, based on the recommendation of Higginbotham Insurance agent, and after discussion with the department staff, TARC has deemed $384,796 annual premium price as fair and reasonable based on the pricing analysis conducted of the four (4) quotes (20251956) acquired and provided by Higginbotham; and

WHEREAS, Arch Insurance Company provided the best value to TARC for the Workers' Compensation Excess Insurance Policy which shall commence on September 1, 2025 and end on September 1, 2026;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Transit Authority of River City that:

The Executive Director is hereby authorized to negotiate and 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 $384,796 beginning September 1, 2025.

ADOPTED THIS 26TH DAY OF AUGUST 2025

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Abbie Gilbert, Chair of the TARC Board of Directors