



FINANCE COMMITTEE MEETING AGENDA

Commission Chamber

Tuesday, January 27, 2026

1:05 PM

FINANCE

- 1.** Workers compensation insurance renewal
- 2.** Motion to **approve** the minutes of the January 13, 2026 Finance Committee Meeting.



FINANCE DEPARTMENT
RISK MANAGEMENT DIVISION

Timothy E. Schroer, CGMA
Interim Director

Judy Blackstone
Interim Risk Mgt. Manager

Finance Committee Meeting
1/27/26 1:15 pm
Excess Workers' Compensation Insurance Renewal

Title: 2026 Renewal of Excess Workers' Compensation Insurance

Department: Finance – Risk Management Division

Caption: Approve Excess Workers' Compensation Insurance with Safety National Casualty with statutory limits and a \$1,000,000 Self Insured Retention (SIR – otherwise known as the deductible) to cover all positions for a premium of \$631,337.

Background:

Excess Workers Compensation coverage (a per occurrence policy) has been purchased in the past as a measure to cap any potential catastrophic loss against Augusta-Richmond County. Augusta's current SIR is \$1,000,000. Stated simply each worker's compensation claim has the potential cost of \$1,000,000 to the government before the excess coverage policy takes effect.

Analysis:

Past claim experience, current claim exposure, and potential future cost were considered. It was determined that an SIR of \$1,000,000 is appropriate for our level of risk. Georgia Administrative Services, our Workers' Compensation Third Party Administrator, was requested to obtain quotes from A or A+ companies.

Georgia Administrative Services received the following quotes from the following companies:

Safety National Casualty - \$1,000,000 SIR for \$631,337

Midwest Employers - \$1,500,000 SIR for \$437,737

The following companies declined to provide an offer:

Arch

Financial Impact:

Maintaining the SIR of \$1,000,000 offers the greatest value to Augusta-Richmond County government.

Alternatives:

- 1) Increase current level of coverage to \$1,500,000 per claim at a cost of \$437,737 or
- 2) Drop coverage accepting full exposure/cost for any catastrophic job related injury.



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Recommendation: Approve coverage with Safety National Casualty (lowest premium quote) with SIR of \$1,000,000 for all positions with Statutory Limit for a deposit premium of \$631,337.

Funds are Available in the Following Accounts:

621 01 5233 55.21110 WC/Risk Management

REVIEWED AND APPROVED BY:

Finance
Law
Administrator
Clerk of Commission



Gallagher

Insurance | Risk Management | Consulting



Augusta-Richmond County

Excess Workers Compensation Executive Summary

1.14.2026

Presented by:

Scott Thomason | Regional Director, Public Sector

Matt Simmons | Senior Director, Public Sector

John Beckett | Client Account Executive



Gallagher

Marketing Results

1. Safety National - Quoted

- A. Provided multiple retention options of \$1M (Expiring), \$1M with a \$500k Aggregate Deductible and \$1.5M

2. Midwest Employers - Quoted

- A. Provided retention options of \$1M and \$1.5M

3. Arch - Declined

- A. Minimum retention would be at least \$2M
- B. Pricing would not be competitive

Renewal Options

Program Overview		Expiring	Recommended	Option 2	Option 3	Option 4	Option 5
Excess Workers Compensation							
Carrier	Safety National	Safety National	Safety National	Safety National	Safety National	Midwest Emp	Midwest Emp
AM Best Rating	A++, XV	A++, XV	A++, XV	A++, XV	A++, XV	A+, XV	A+, XV
Estimated Payroll	\$145,593,411	\$149,961,213	\$149,961,213	\$149,961,213	\$149,961,213	\$149,961,213	\$149,961,213
Minimum Premium	90%	90%	90%	90%	90%	90%	90%
Policy Term	1 Year	1 Year	1 Year	1 Year	1 Year	1 Year	1 Year
Exposure Change		3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Coverage Details							
Excess Workers Comp							
Workers Comp Limit	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory
Employers Liability Limit	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Self-Insured Retention (SIR)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,500,000	\$1,000,000	\$1,500,000
Police/Fire SIRs	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,500,000	\$1,000,000	\$1,500,000
Annual Aggregate Deductible			\$500,000				
Aggregate Attachment							
Aggregate Limit							
Premium+ Details							
Excess Workers Comp							
Annual (Deposit) Premium	\$573,929	\$631,337	\$583,349	\$445,685	\$685,023	\$437,737	
Payroll Basis	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated	Estimated
Buffer Layer							
Annual (Deposit) Premium	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Payroll Basis							
Risk Management Services							
Risk Mgmt Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Premium+	\$573,929	\$631,337	\$583,349	\$445,685	\$685,023	\$437,737	
Net Rate Change		7.00%	-1.36%	-25.34%	16.36%	-26.73%	
Ground up Loss Projection	\$4,987,181	\$5,516,167	\$5,516,167	\$5,516,167	\$5,516,167	\$5,516,167	\$5,516,167
Projected Excess Losses	-\$266,200	-\$546,447	-\$437,467	-\$328,486	-\$546,447	-\$328,486	-\$328,486
Total Cost of Risk	\$5,294,910	\$5,601,057	\$5,662,049	\$5,633,366	\$5,654,743	\$5,625,418	
Net TCOR Change		5.8%	6.9%	6.4%	6.8%	6.2%	
Cost per \$100/Payroll		\$3.64	\$3.74	\$3.78	\$3.76	\$3.77	\$3.75

DISCLAIMER: Premium+ includes any surplus lines taxes and fees if applicable. Broker Compensation is included unless specified as a broker fee. This summary is an outline of certain terms and conditions of the insurance proposed and does not include all of the terms, coverages, exclusions, and conditions of the actual policy language. We make no warranties with respect to policy limits, deductibles, or coverage considerations of the carrier.

Thank You for Your Business

1. WE ARE A SALES AND MARKETING COMPANY DEDICATED TO PROVIDING EXCELLENCE IN RISK MANAGEMENT SERVICES TO OUR CLIENTS. 2. WE SUPPORT ONE ANOTHER. WE BELIEVE IN ONE ANOTHER. WE ACKNOWLEDGE AND RESPECT THE ABILITY OF ONE ANOTHER. 3. WE PUSH FOR PROFESSIONAL EXCELLENCE. 4. WE CAN ALL IMPROVE AND LEARN FROM ONE ANOTHER. 5. THERE ARE NO SECOND-CLASS CITIZENS, EVERYONE IS IMPORTANT AND EVERYONE'S JOB IS IMPORTANT. 6. WE'RE AN OPEN SOCIETY. 7. EMPATHY FOR A PERSON IS NOT A WEAKNESS. 8. SUSPICION BREEDS MORE SUSPICION. TO TRUST AND BE TRUSTED IS VITAL. 9. LEADERS NEED FOLLOWERS. HOW LEADERS TREAT FOLLOWERS HAS A DIRECT IMPACT ON THE EFFECTIVENESS OF THE LEADER. 10. INTERPERSONAL BUSINESS RELATIONSHIPS SHOULD BE BUILT. 11. WE ALL NEED ONE ANOTHER. WE ARE ALL COGS IN A WHEEL. 12. NO DEPARTMENT OR PERSON IS AN ISLAND. 13. PROFESSIONAL COURTESY IS EXPECTED. 14. NEVER ASK SOMEONE TO DO SOMETHING YOU WOULDN'T DO YOURSELF.

15. I CONSIDER MYSELF

THE GALLAGHER WAY

SUPPORT FOR OUR SALES AND MARKETING. WE CAN'T MAKE THINGS HAPPEN WITHOUT EACH OTHER. WE ARE A TEAM. 16. LOYALTY AND RESPECT ARE EARNED — NOT DICTATED. 17. FEAR IS A TURNOFF. 18. PEOPLE SKILLS ARE VERY IMPORTANT AT ARTHUR J. GALLAGHER & CO. 19. WE'RE A VERY COMPETITIVE AND AGGRESSIVE COMPANY. 20. WE RUN TO PROBLEMS — NOT AWAY FROM THEM. 21. WE ADHERE TO THE HIGHEST STANDARDS OF MORAL AND ETHICAL BEHAVIOR. 22. PEOPLE WORK HARDER AND ARE MORE EFFECTIVE WHEN THEY'RE TURNED ON — NOT TURNED OFF. 23. WE ARE A WARM CLOSE COMPANY. THIS IS A STRENGTH — NOT A WEAKNESS. 24. WE MUST CONTINUE BUILDING A PROFESSIONAL COMPANY—TOGETHER — AS A TEAM. 25. SHARED VALUES CAN BE ALTERED WITH CIRCUMSTANCES, BUT CAREFULLY AND WITH TACT AND CONSIDERATION FOR ONE ANOTHER'S NEEDS.

Legal Disclaimer

Gallagher provides insurance and risk management advice that is tailored to our clients' risk transfer needs. Our review can include evaluation of insurance premium, risk transfer options, finance agreements, insurance limits, indemnification obligations, and contracts to ascertain appropriate coverage. We do emphasize that any risk management advice, insurance analysis, and limited review of contract terms and conditions, is only provided from an insurance/risk management perspective and is NOT legal advice. We do not provide legal advice and always recommend that our clients seek advice from legal counsel to become fully apprised of all legal implications from their business transactions.



Finance Committee

January 27, 2026

Minutes

Department:	N/A
Presenter:	N/A
Caption:	Motion to approve the minutes of the January 13, 2026 Finance Committee Meeting.
Background:	N/A
Analysis:	N/A
Financial Impact:	N/A
Alternatives:	N/A
Recommendation:	N/A
Funds are available in the following accounts:	N/A
<u>REVIEWED AND APPROVED BY:</u>	N/A