

COUNTY COUNCIL OF BEAUFORT COUNTY  
ADMINISTRATION BUILDING  
BEAUFORT COUNTY GOVERNMENT ROBERT SMALLS COMPLEX  
100 RIBAUT ROAD  
POST OFFICE DRAWER 1228  
BEAUFORT, SOUTH CAROLINA 29901-1228  
TELEPHONE: (843) 255-2180  
www.bcgov.net

D. PAUL SOMMERVILLE  
CHAIRMAN

GERALD W. STEWART  
VICE CHAIRMAN

COUNCIL MEMBERS

RICK CAPORALE  
MICHAEL E. COVERT  
GERALD DAWSON  
BRIAN E. FLEWELLING  
STEVEN G. FOBES  
YORK GLOVER, SR.  
ALICE G. HOWARD  
STEWART H. RODMAN  
ROBERTS "TABOR" VAUX

GARY T. KUBIC  
COUNTY ADMINISTRATOR

JOSHUA A. GRUBER  
DEPUTY COUNTY ADMINISTRATOR

THOMAS J. KEAVENY, II  
COUNTY ATTORNEY

ASHLEY M. BENNETT  
CLERK TO COUNCIL

AGENDA  
FINANCE COMMITTEE

Monday, March 6, 2017

2:00 p.m.

Executive Conference Room, Administration Building  
Beaufort County Government Robert Smalls Complex  
100 Ribaut Road, Beaufort

Committee Members:  
Jerry Stewart, Chairman  
Michael Covert, Vice Chairman  
Rick Caporale  
Gerald Dawson  
Brian Flewelling  
Steven Fobes  
Stu Rodman

Staff Support:  
Suzanne Gregory, Employee Services Director  
Alicia Holland, CPA, Assistant County Administrator, Finance  
Chanel Lewis, CGFO, Controller

1. CALL TO ORDER – 2:00 P.M.
2. CONSIDERATION OF A RESOLUTION AUTHORIZING BEAUFORT COUNTY TO SELF-INSURE WORKER'S COMPENSATION PROGRAM ([backup](#))
3. CONSIDERATION OF CONTRACT AWARDS
  - A. Beaufort County Boat Landing Dock and Pier Repairs ([backup](#))
  - B. 2017-2018 Worker's Compensation Broker Services (Fully Insured vs. Self-Insured) ([backup](#))
4. PRESENTATION / MILITARY ENHANCEMENT COMMITTEE
5. CONSIDERATION OF REAPPOINTMENTS AND APPOINTMENTS
  - A. Board of Assessment Appeals
6. EXECUTIVE SESSION
  - A. Discussion of negotiations incident to proposed contractual arrangements
7. ADJOURNMENT



**RESOLUTION 2017 / \_\_**

**RESOLUTION AUTHORIZING BEAUFORT COUNTY TO SELF-INSURE  
WORKER'S COMPENSATION PROGRAM**

**WHEREAS**, Beaufort County's Worker's Compensation Program is currently fully insured through the South Carolina Association of Counties; and

**WHEREAS**, Beaufort County has studied and evaluated the advantages and disadvantages of converting from a Fully-Insured Worker's Compensation Program to a Self-Insured Worker's Compensation Program; and

**WHEREAS**, a Self-Insured program allows an organization such as Beaufort County to pay its own losses through a combination of self-insured retention, buffer layer coverage and an excess layer of coverage; and

**WHEREAS**, Beaufort County has concluded that the potential cost savings benefits of a Self-Insured Worker's Compensation Program is considerable; and

**WHEREAS**, Beaufort County has further concluded, after carefully considering the advantages and disadvantages of both approaches, that it is in the best interest of Beaufort County, its residents and its employees to change from a Fully-Insured Worker's Compensation Program to a Self-Insured Worker's Compensation Program.

**NOW, THEREFORE, BE IT RESOLVED**, by the County Council of Beaufort County, South Carolina, that effective FY 2018 Beaufort County will self-fund its Worker's Compensation Program and the Beaufort County Administrator is hereby authorized to execute and enter into the agreements necessary to transition to a self-funded plan and to enter into all other ancillary and incidental agreements necessary to implement the self-funded plan as presented by representatives of Arthur J. Gallagher & Co. to the Finance Committee during its meetings of February 6, 2017 and March 6, 2017.

Adopted this \_\_\_\_ day of \_\_\_\_\_, 2017.

COUNTY COUNCIL OF BEAUFORT COUNTY

By: \_\_\_\_\_  
D. Paul Sommerville, Chairman

APPROVED AS TO FORM:

\_\_\_\_\_  
Thomas J. Keaveny, II County Attorney

ATTEST:

\_\_\_\_\_  
Ashley Bennett, Clerk to Council



**COUNTY COUNCIL OF BEAUFORT COUNTY**  
**BEAUFORT COUNTY ENGINEERING DEPARTMENT**  
104 Industrial Village Road, Building #3, Beaufort, SC 29906  
Post Office Drawer 1228, Beaufort, SC 29901-1228  
Telephone: 843-255-2700 Facsimile: 843-255-9420

TO: Councilman Jerry Stewart, Chairman, Finance Committee

VIA: Gary Kubic, County Administrator *GKubic*  
Josh Gruber, Deputy County Administrator  
Alicia Holland, Assistant County Administrator for Finance *AX*  
Dave Thomas, Purchasing Director *DT*

FROM: Robert McFee, PE, Division Director for Construction, Engineering & Facilities *Robert McFee*

SUBJ: Beaufort County Boat Landing Dock & Pier Repairs – IFB #020717E

DATE: February 20, 2017

**BACKGROUND.** As a result of damage from Hurricane Matthew, Beaufort County advertised for competitive bids for repairs at the following 11 County boat landing docks and piers.

Alljoy Boat Landing Dock	Bluffton Public Dock/Pier	Buddy & Zoo Boat Landing Dock
C.C. Haigh Boat Landing Dock	Cross Is. Boat Landing Dock	Daufuskie Is. Boat Landing Dock
Edgar Glenn Boat Landing Dock	H. E. Trask Boat Landing Dock	Sam's Point Boat Landing Dock
Whale Branch Fishing Pier	White Hall Boat Landing Dock	

Attachment #1 provides the scope of work and location address for each facility listed above.

On 2/7/17, one contractor submitted a bid.

Patterson Construction Inc., Beaufort SC	Total Bid:	\$188,996.10
--	------------	--------------

An analysis of Patterson Construction's bid prices revealed no apparent cause for rejecting their bid. Therefore, Patterson Construction, Inc., is the certified responsible/responsive bidder. Therefore, it is recommended that the subject bid be awarded to Patterson Construction, Inc., in the amount of \$188,996.10. Staff is requesting a 10% project contingency of \$18,900. Total project budget is \$207,896.

*AX* **FUNDING.** The Engineering Department is requesting that funding be provided from County Local Accommodations Tax (Local A Tax) with an unobligated available fund balance of \$1.5 million at February 15, 2017. Insurance claim for the damages are being processed by the County's Risk Manager and would be applied to the project's expenditures. Additionally, any applicable costs not covered by insurance would be submitted to FEMA for reimbursement.

**FOR ACTION.** Finance Committee Meeting on March 6, 2017.

**RECOMMENDATION.** The Finance Committee approve and recommend to County Council approval of:

1) a contract award to Patterson Construction, Inc., for the construction repair of the various docks and piers listed in IFB #020717E in the amount of \$188,996.10 and;

2) the use of Local A Tax for the project budget of \$207,896 which includes a 10% contract contingency.

JRM/AA/mjh

Attachments: 1) Scope of Work and Location Listing  
2) Damage Photos

Contract/Dock/PierRepair/FinApp

## SCOPE OF WORK – DOCKS & PIER REPAIRS IFB #020717E

### 1. SCOPE OF WORK

- a. Provide all material, equipment and labor as required to complete the work.
- b. Provide all modifications to the existing docks, piers and boat landings, necessary to complete the repair and/or replacements listed herein.
- c. Along with submission of the proposal form, provide a separate document giving a description of the work at each location. Include quantities, sizes and manufacturers as applicable to accurately described the repairs included in your proposal.
  - i. Exhibit B – Photos of damage. This exhibit shows the general nature of damage to docks and boat landings, but is not intended to be a complete summary of repairs needed.
- d. Alljoy Boat Landing – May River.
  - i. Replace missing floats.
- e. C. C. Haigh Jr. – Mackay Creek.
  - i. Replace 50' X 12' floating dock and 10' X 12' floating gangway platform.
    1. Design shall be based on internal guides in lieu of existing external guide design.
  - ii. Remove and properly dispose of the existing floating dock and gangway platform.
  - iii. Salvage and reinstall the 70' X 6' aluminum gangway. Clean, modify and/or repair as necessary for a complete installation.
  - iv. Replace missing sections of fixed pier railings. Railing to match existing. Modify and/or repair existing railing sections to provide transition and connection of new railings.
- f. Cross Island Boat Landing – Broad Creek.
  - i. Removal of rip rap and geotextile fabric (if present) as required to perform the work.
  - ii. Removal and proper disposal of asphalt where subgrade has failed. Sawcut to the limits of removals.
  - iii. Removal and proper disposal of concrete curb where subgrade has failed and curb has pulled away from asphalt pavement.
  - iv. Re-establish compacted fill suitable for support of new curb and pavement.
  - v. Provide new concrete curb and asphalt pavement.
  - vi. Reinstall geotextile fabric and rip rap along effected slope. Supplement rip rap if necessary for a complete project.
- g. Daufuskie Island Boat landing – New River.
  - i. Replace missing transition plate from gangway to floating dock.
  - ii. Repair or replace broken members of dock structure (mid-dock).
  - iii. Re-anchor a bolt were concrete has broken off at transition plate from gangway to fixed pier.
- h. Edgar Glenn – Chechessee River.
  - i. Re-level groundout dock at shoreline.
  - ii. Re-attach transition plate from floating to concrete dock.
- i. H. E. Trask, Sr. – Colleton River.
  - i. Replace missing end section of floating dock. New section of floating dock to match existing. Modify/repair end section of existing dock to provide transition and connection of new dock section.
  - ii. Repair broken guides on existing sections of dock.
- j. Sam's Point – Lucy Point Creek
  - i. Replace missing roller guides.

- ii. Repair (cracked welds) or replace transition plate from fixed to floating dock.
- k. **Buddy and Zoo Boat Landing – Station Creek.**
  - i. Replace missing floats.
  - ii. Repair or replace broken guides.
- l. **Steel Bridge Boat Landing – Combahee River. ADDENDUM #1 DELETED**
  - i. ~~Replace missing transition plate to floating dock.~~
- m. **White Hall Boat Landing – Factory Creek.**
  - i. Replace missing floats.
- n. **Bluffton Public Dock – May River.**
  - i. Replace missing section of railing. Railing to match existing. Modify/repair existing railing sections to provide transition and connection of new railing.
- o. **Whale Branch Fishing Pier – Whale Branch.**
  - i. Repair washout and rip rap on both sides of embankment.

Date: January 23, 2017

**ADDENDUM #1**  
**Beaufort County Docks and Boat Landings Repairs**  
**IFB # 020717E**

**Scope of Work Modifications**

1. Instruction to Bidders and Scope of Work
  - a. **Bluffton Public Dock (May River)**
    - i. Add transition plate from gangway to floating dock.
  - b. **Edgar Glenn (Chechessee River)**
    - i. Omit line item to re-attach transition plate from floating dock to concrete dock. *This work has been completed.*
  - c. **H. E. Trask (Colleton River)**
    - i. Omit first sentence "Replace missing end section of floating dock. New section of floating dock to match existing".
    - ii. End section of floating dock has been located and will be transported by Beaufort County to a location near the dock and anchored. Contractor will repair and refurbish this section of floating dock as necessary to re-attach to existing dock and guide piles.
  - d. **Steel Bridge Boat Landing (Combahee River)**
    - i. Omit line item to replace missing transition plate to floating dock. *This work has been completed. No work at Steel Bridge Boat Landing.*
  - e. **C. C. Haigh Jr. (Mackay Creek)**
    - i. Base bid for new floating dock shall be wood to match previously existing dock. This amount to be shown on page 3 of the bid form along with all other work required at this location.
    - ii. Provide a separate cost for an aluminum floating dock and gangway platform dock. This amount can be expressed as an addition or deduction from the base bid price.
    - iii. Please note small freeboard dimension on this dock to accommodate kayak use.





ALLDAY: Missing Floats

## EXHIBIT "A"

### Beaufort County Boat Landings and Docks

IFB #013117E

Description	Address	City
Alljoy Boat Landing - May River	265 Alljoy Road	Bluffton 29910
CC Haigh Jr. Boat Landing - Mackay Creek	1640 Fording Island Road Ext.	Hilton Head Island 29938
Cross Island Boat Landing - Broad Creek	68 Helmsman Way	Hilton Head Island 29938
Daufuskie Island Boat Landing- New River	13 Haig Point Road	Daufuskie Island 29915
Edgar Glen Boat Landing - Chechessee River	305 Okatie Highway	Okatie 29910
HE Trask, Sr. Boat Landing - Colleton River	325 Sawmill Creek Road	Bluffton 29910
Sam's Point Boat Landing - Lucy Point Creek	1009 Sam's Point Road	Beaufort 29907
Buddy & Zoo Boat Landing - Station Creek	40 Station Creek Drive	Beaufort 29920
Steel Bridge Boat Landing - Combahee River	993 Charleston Highway	Seabrook 29940
White Hall Boat Landing - Factory Creek	33 Sea Island Parkway	Beaufort 29907
Bluffton Public Dock - May River	113 Calhoun Street	Bluffton 29910
Whale Branch Fishing Pier - Whale Branch	216 Seabrook Road	Seabrook 29940



Bluffton Public Dock - Missing rail



Bluffton Public Dock  
Missing rail





Buddy and Zoo Boat Landing  
Broken guide

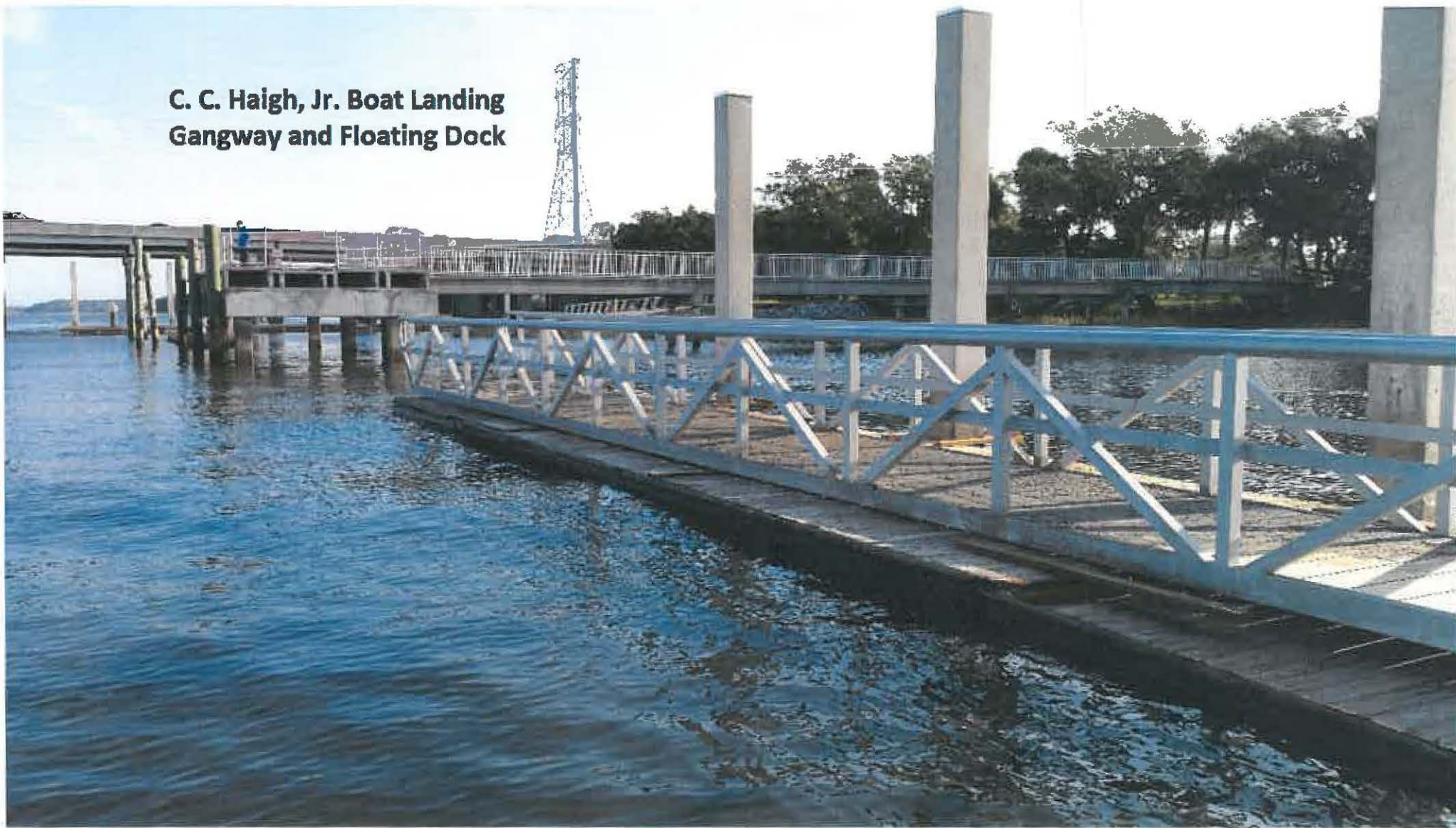


**Buddy and Zoo Boat Landing  
Missing floats**





**C. C. Haigh, Jr. Boat Landing  
Gangway and Floating Dock**





**C. C. Haigh Boat Landing**  
**Missing Railing**





Cross Island Boat Landing  
Undermined Pavement



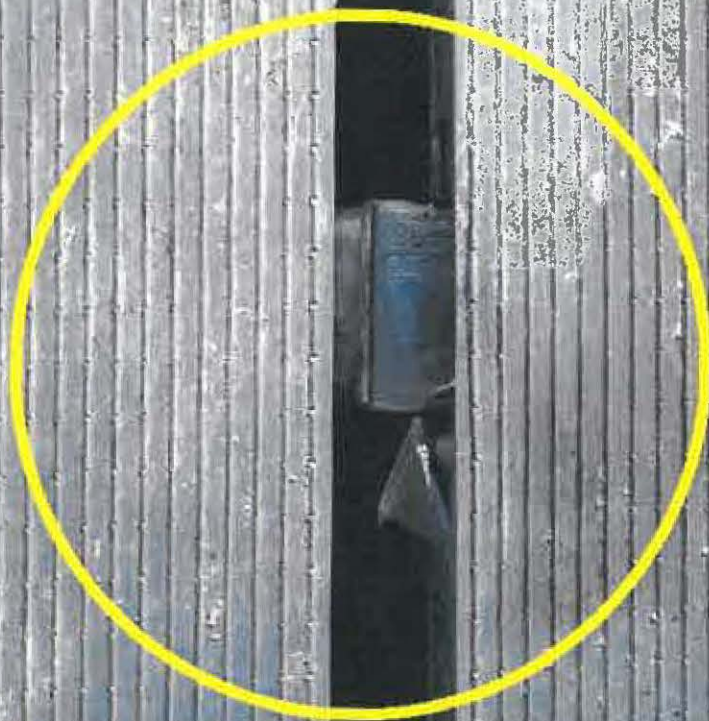


Cross Island Boat Landing  
Undermined Curb



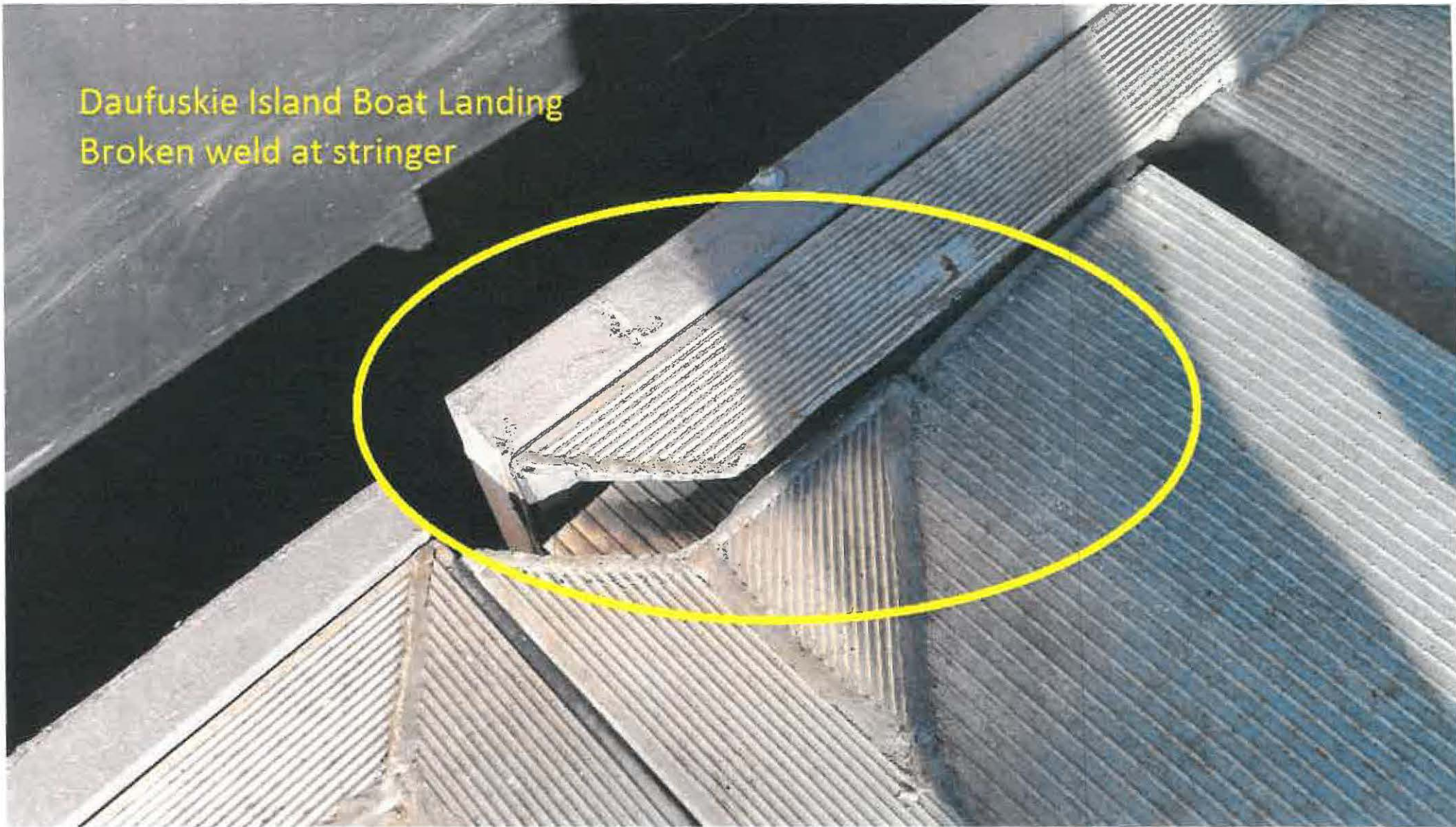


**Daufuskie Island Boat Landing**  
**Broken cross member**



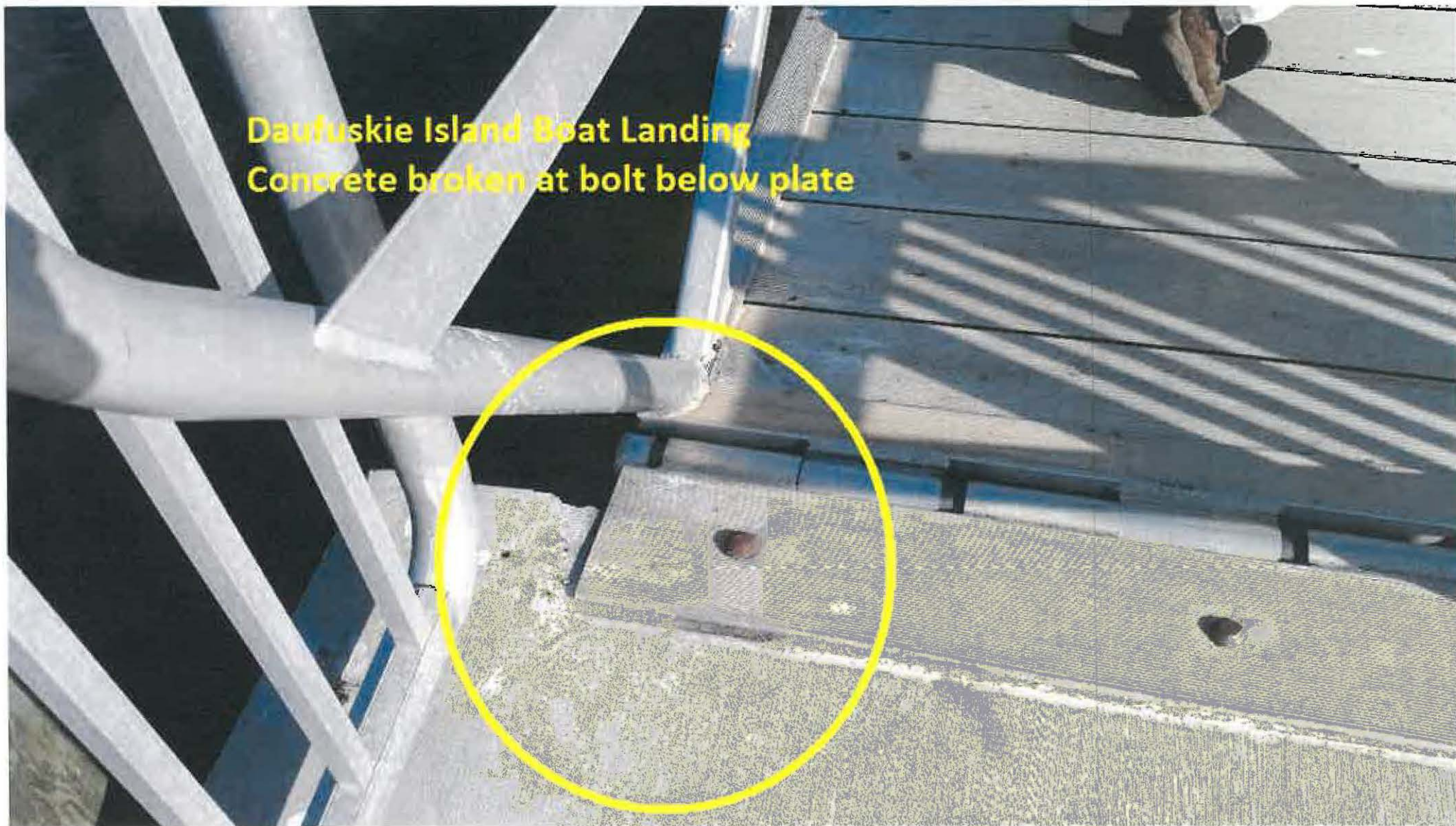


Daufuskie Island Boat Landing  
Broken weld at stringer



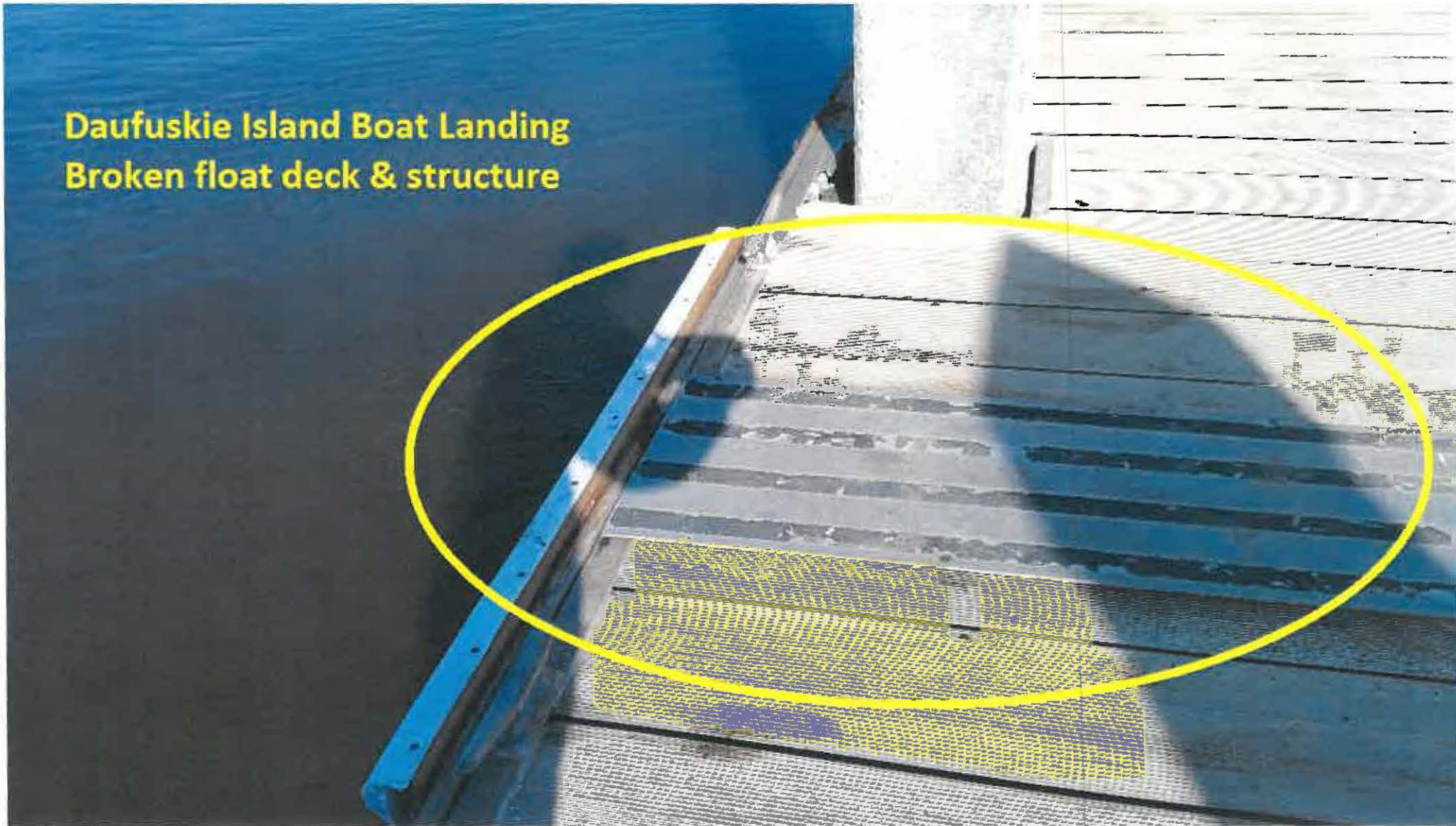


**Daufuskie Island Boat Landing**  
**Concrete broken at bolt below plate**



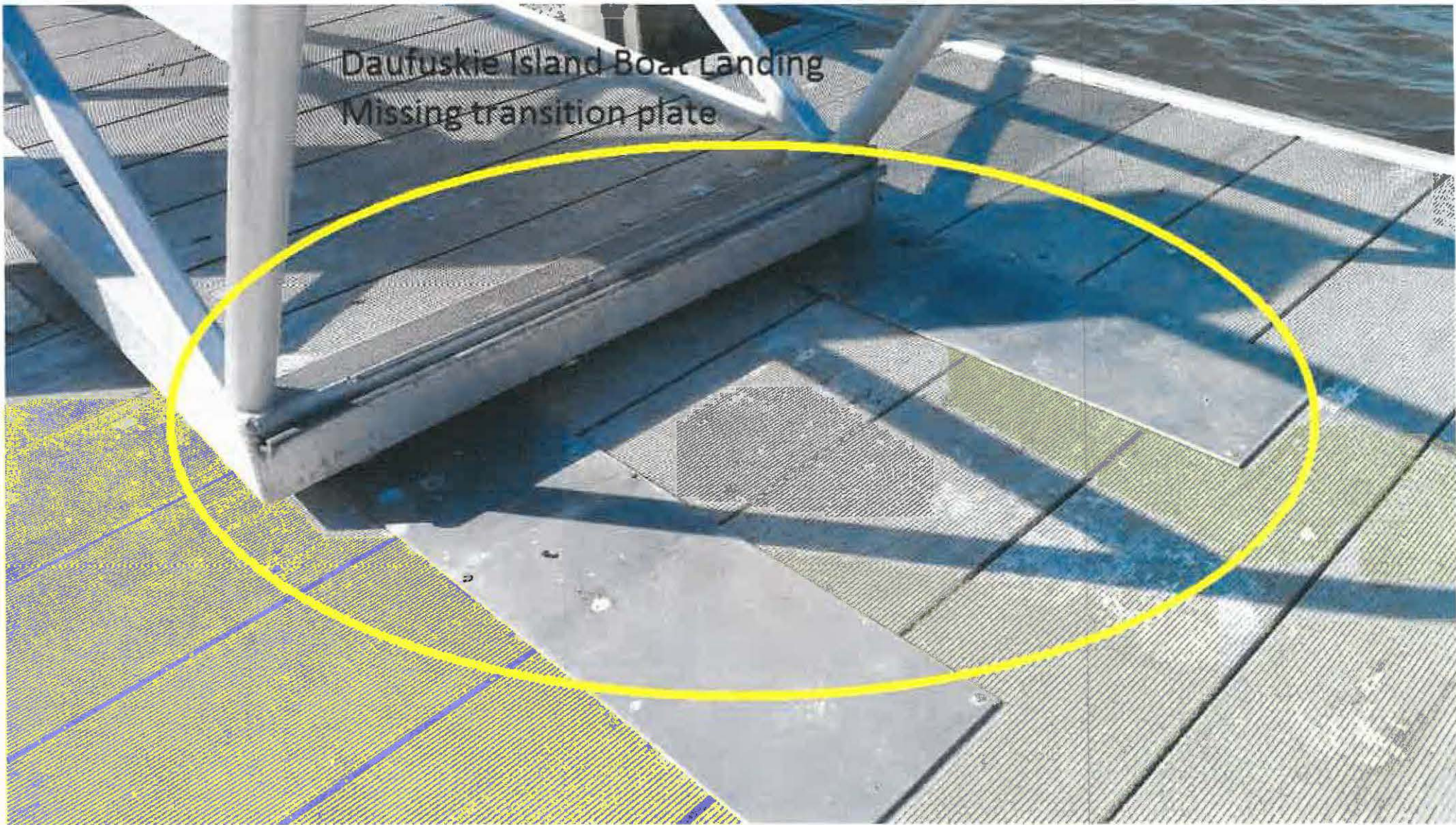


**Daufuskie Island Boat Landing**  
**Broken float deck & structure**





Daufuskie Island Boat Landing  
Missing transition plate





**Edgar Glen Boat Landing  
Transition plate relocation**



**Edgar Glenn Boat Landing**  
**Broken float**







**Edgar Glenn Boat Landing**  
**Uneven erosion underneath floats**

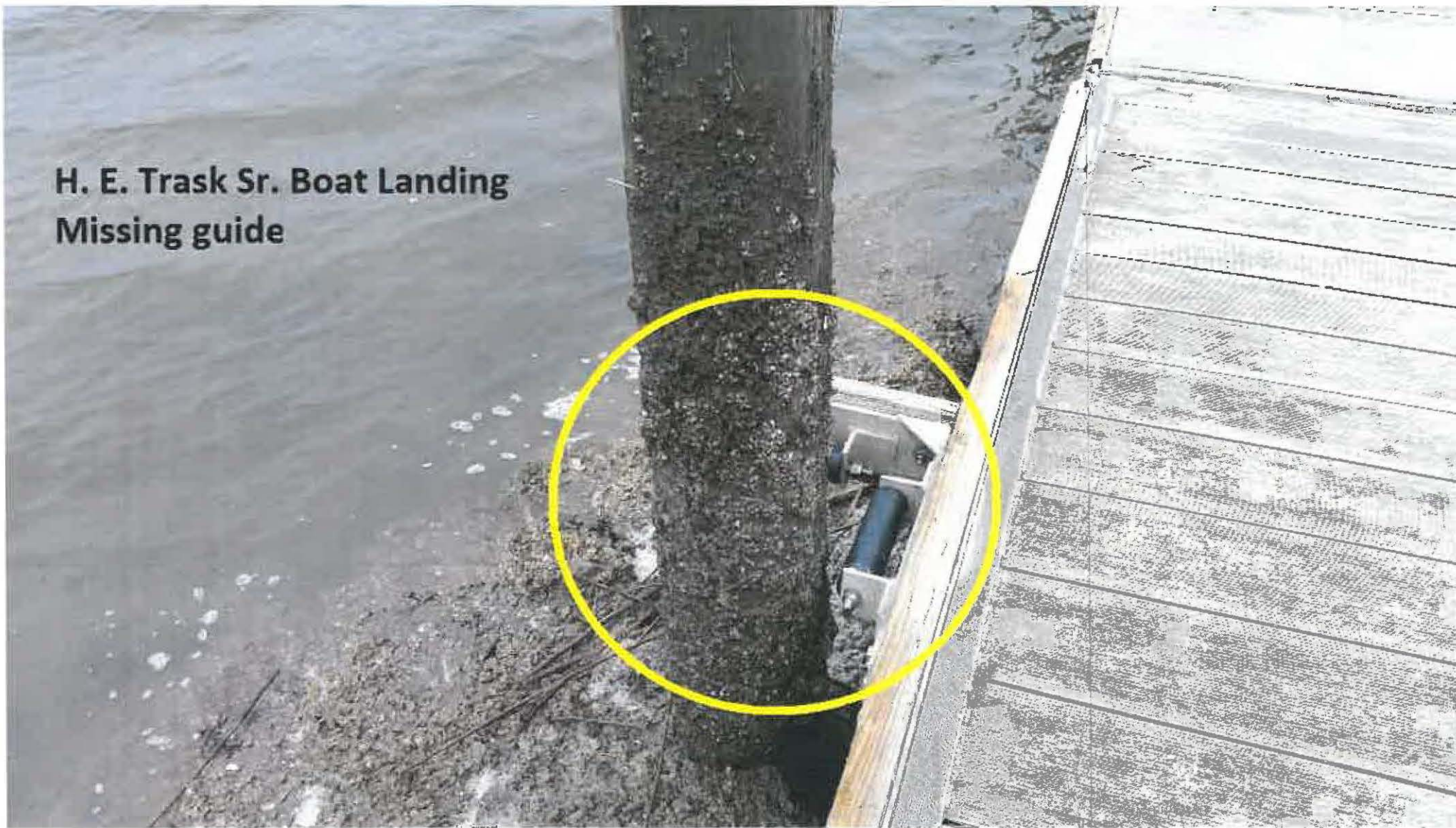


**H. E. Trask Sr. Boat Landing  
Debris removal**





**H. E. Trask Sr. Boat Landing**  
**Missing guide**

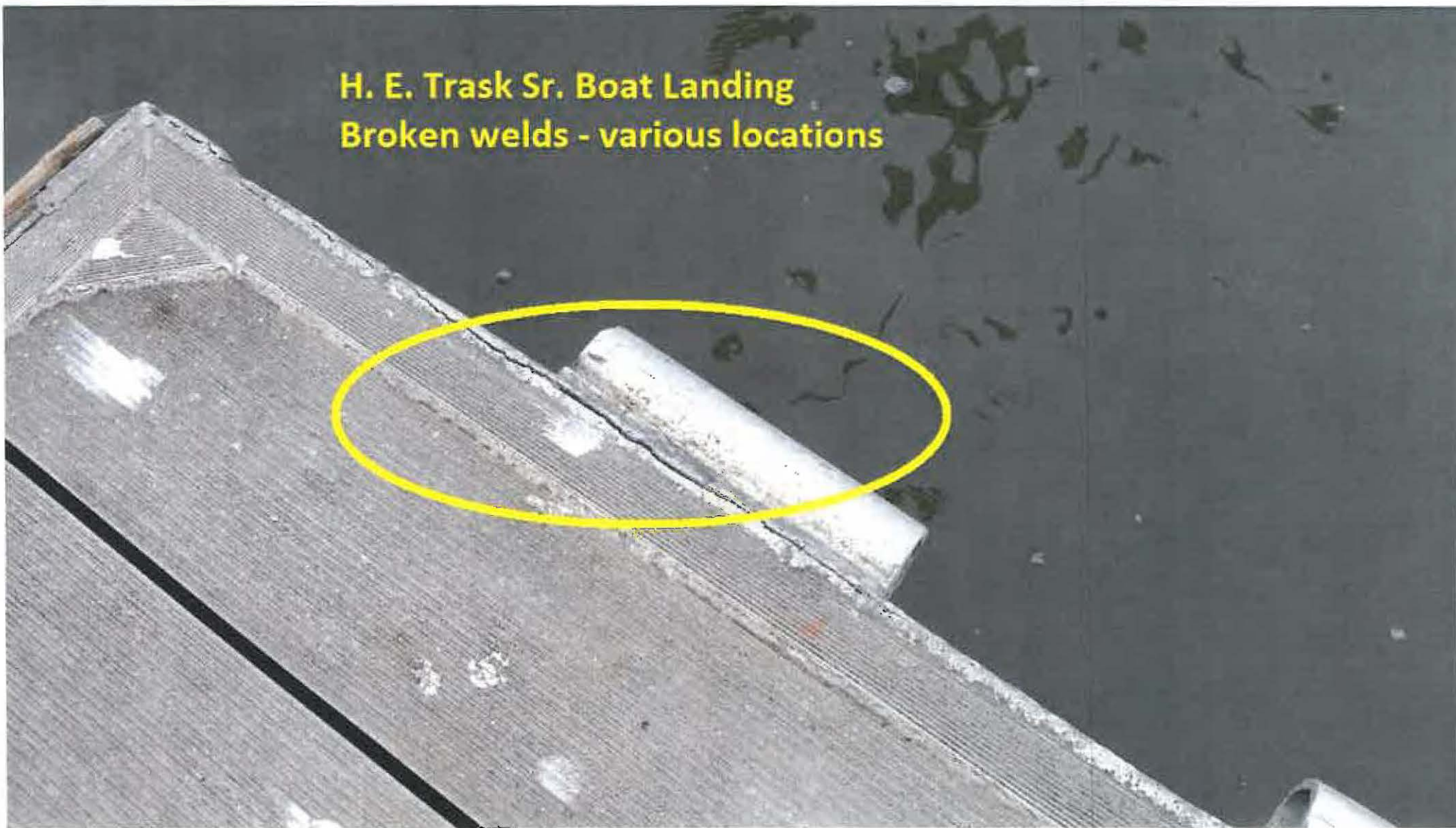




H. E. Trask Sr. Boat Landing  
Missing Float Section



**H. E. Trask Sr. Boat Landing**  
**Broken welds - various locations**





**H. E. Trask Sr. Boat Landing**  
**Broken welds - various locations**





**Sam's Point Boat Landing**  
**Broken roller guides - various locations**





**Sam's Point Boat Landing**  
**Broken roller guides - various locations**



**Sam's Point Boat Landing**  
**Broken welds**





## Whale Branch Fishing Pier Washout





## Whale Branch Fishing Pier Washout





## Whale Branch Fishing Pier Washout





**White Hall Boat Landing  
Missing floats**





mtg  
3/6



## COUNTY COUNCIL OF BEAUFORT COUNTY

### PURCHASING DEPARTMENT

106 Industrial Village Road, Bldg. 2, Post Office Drawer 1228  
Beaufort, South Carolina 29901-1228

David L Thomas, Purchasing Director  
dthomas@bcgov.net 843.255.2353

**TO:** Councilman Jerry Stewart, Chairman, Finance Committee

**FROM:** David L Thomas, CPPO, Purchasing Director

**SUBJ:** New Contract as a Result of Solicitation  
Recommendation of Contract Award for RFP 110416, Workers' Compensation Broker Services for Beaufort County

**DATE:** 02/01/2017

#### **BACKGROUND:**

Beaufort County received proposals from qualified Workers' Compensation Brokers on 11/11/16. In accordance with the Beaufort County Purchasing Code an evaluation committee was formed and consisted of Chanel Lewis, Controller, Finance, Thomas Keaveny, Beaufort County Attorney, Miriam Mitchell, Risk Manager, Kyle Jackson, new Risk Manager, Cathy Parsons, Workers' Compensation Specialist, Suzanne Gregory, Director Employee Services. Beaufort County received three responses to the RFP. The evaluation committee reviewed and evaluated all RFPs and interviewed all three firms. After the interviews, the committee completed the initial rank order and requested "Best and Final Offers" from Arthur J. Gallagher, Inc., and Surry Insurance. After receiving both firms "Best and Final Offers" the committee unanimously selected Arthur J. Gallagher and ranked them as the number one firm.

#### **VENDOR INFORMATION:**

1. Arthur J. Gallagher, Charlotte, NC

2. Surry Insurance, Dobson, NC

\*\*Broker is paid a commission by the insurance company, no charge for consulting.

3. Scott Insurance, Charlotte, NC

#### **COST:**

\$45,000

No Charge\*\*

\$70,000

#### **FUNDING:**

Employer paid workers' compensation costs are expended in accordance with personnel costs across various Beaufort County Funds.

Funding approved: Yes By: aholland Date: 02/01/2017  
**FOR ACTION:** Finance Committee meeting occurring on February 6, 2017.

**RECOMMENDATION:**

The Purchasing Department recommends that the Finance Committee approve the contract award to Arthur J. Gallagher for Workers' Compensation Broker Services in the amount of \$45,000.

Attachment:  Recommendation Memo WC Attachments.pdf  
 2.14 MB

cc: Gary Kubic, County Administrator

Approved: Yes Date: 02/03/2017

Check to override approval: ☒ Overridden by: gkubic

Override Date: 02/02/2017

Joshua Gruber, Deputy County Administrator/Special Counsel

Approved: Yes Date: 02/03/2017

Check to override approval: ☐ Overridden by:

Override Date:

Alicia Holland, Assistant County Administrator, Finance

Approved: Yes Date: 02/01/2017

Kyle Jackson Director, Risk Management Department

Approved: Yes Date: 02/03/2017

Check to override approval: ☐ Overridden by:

Override Date: ready for admin: ☒

**After Initial Submission, Use the Save and Close Buttons**



**RFP110416 Workers Compensation Broker Services****Final Score Sheet Summary (AFTER INTERVIEWS)**

Evaluators	Name of Company	Name of Company2	Name of Company3
	<u>Gallagher</u>	<u>Scott</u>	<u>Surry</u>
S. Gregory	91	71	59
T. Keaveny	100	67.5	93
C. Lewis	90	58	74
M. Mitchell	75	40	66
C. Parsons	90	53	59
TOTALS:	446	289.5	351
1. Gallagher		446	
2. Surry		351	
3. Scott		289.5	

# **2017-2018 WORKERS COMPENSATION**

**FULLY INSURED  
VS.  
SELF-INSURED**



# SELF-INSURANCE

- SELF-INSURANCE IS A WELL-DESIGNED PLAN IN WHICH AN ORGANIZATION CHOOSES TO PAY ITS OWN LOSSES THROUGH A COMBINATION OF A SELF-INSURED RETENTION, BUFFER LAYER COVERAGE AND AN EXCESS LAYER OF COVERAGE
- COMPANIES AND PUBLIC ENTITIES ALIKE IN RECENT DECADES HAVE TURNED TO SELF-INSURED OPTIONS FOR GREATER CONTROL OVER THEIR LOSSES AND THE BENEFITS OF COST DIFFERENTIAL POTENTIAL:
  - ❑ AIKEN COUNTY, SC
  - ❑ RICHLAND COUNTY, SC
  - ❑ UNIVERSITY OF SC
  - ❑ GREENVILLE SCHOOL DISTRICT
  - ❑ CITY OF NORTH MYRTLE BEACH

# SELF-INSURANCE (CONT'D)

## ➤ CHARACTERISTICS OF GOOD SELF-INSURED CANDIDATES:

- ❑ HIGH CLAIM FREQUENCY
- ❑ LOW CLAIM SEVERITY
- ❑ EXTENDED PAYOUT SCHEDULES

WORKERS COMPENSATION EXHIBITS ALL CHARACTERISTICS



# FULLY INSURED

- IN A FULLY INSURED PROGRAM THE INSURANCE CARRIER ASSUMES ALL THE RISK WITH AN AGREED UPON DEDUCTIBLE. THE PREMIUMS PAID ARE BASED OFF THE TOTAL PAYROLL AND A ROLLING THREE-YEAR LOSS HISTORY THAT MAKES UP A UNIQUE MOD NUMBER. THE MOD NUMBER, FOR EXAMPLE, CAN RANGE FROM .65 ALL THE WAY UP TO 1.60
- THAT MOD NUMBER CAN EITHER BE A 65% DISCOUNT OR A 60% DEBIT DEPENDING ON THE LOSS HISTORY AND THE PREMIUMS PAID
- A FULLY INSURED PROGRAM DOES OFFER DEDUCTIBLE OPTIONS BUT PREMIUMS ARE STILL SUBJECT TO THE RATES AND THE MOD NUMBER

# SCAC

## 2016-2017 CURRENT YEAR

- CURRENT PREMIUM: \$ 2,033,612
- PAYROLL: \$57,000,000
- DEDUCTIBLE: 0
- COVERAGE: \$ 1,000,000
- MOD: 1.13 (WAS 1.41) AND PREMIUM WAS \$2,320,111
- WE HAVE NOT RECEIVED A CLAIM REPORT FOR 2016
- 2015 CLAIMS INCURRED: \$ 532,423



# 2010 - 2015

• 2010 CLAIMS \$1,298,179	PREMIUM \$2,130,997	MOD 1.19
• 2011 CLAIMS \$1,281,751	\$2,094,029	1.26
• 2012 CLAIMS \$1,141,312	\$1,832,524	1.13
• 2013 CLAIMS \$1,056,758	\$2,128,178	1.31
• 2014 CLAIMS \$ 540,423	\$2,179,710	1.36
• 2015 CLAIMS \$ 450,267	\$2,347,805	1.41

# DEDUCTIBLE OPTIONS VIA SCAC AS OF MAY OF LAST YEAR

## **EXAMPLE**

LET'S ASSUME WE HAVE \$1,100,000 IN TOTAL CLAIMS BUT EVERY CLAIM IS UNDER THE DEDUCTIBLE OPTION

\$300,000 DEDUCTIBLE PREMIUM \$571,445

USING THIS DEDUCTIBLE OPTION, WE WOULD END UP PAYING \$1,671,445 (THAT INCLUDES ALL THE CLAIMS) + \$571,445 IN PREMIUMS

**PLUS THE SELF-INSURANCE TAXES AND SECOND INJURY FUND ACCORDING TO THE W/C TRUST OF AROUND \$25,000 - \$50,000 BECAUSE WE CHOSE A DEDUTIBLE OPTION**

NOTE: UNDER THE SC W/C TRUST WE ARE FORCED TO STAY WITH ARIEL AS OUR TPA



# SELF-INSURED WITH GALLAGHER

- PAYROLL ESTIMATION 2017-2018: \$60,151,800
- SELF-INSURED RETENTION: \$300,000 (PER CLAIM)
- BUFFER LAYER COVERAGE STARTS WHEN A CLAIM IS OVER **\$300,000** AND COVERS THE COUNTY UP TO **\$500,000** (COST \$141,750)
- EXCESS POLICY KICKS IN WITH **\$500,000** COVERAGE WHEN THE CLAIM REACHES **\$500,000** (COST \$231,084)
- STATE FEES AND ASSESSMENTS: \$ 25,000 (ESTIMATED)
- RISK MANAGEMENT FEES: \$ 45,000 (ESIMATED)
- TPA (**OF OUR CHOICE**): \$ 46,950 (ESIMATED)
- TOTAL COST: **\$489,784**

ASSUMING ALL CLAIMS DID NOT MEET THE \$300,000 RETENTION AND WE HAD **\$1,100,000** IN CLAIMS WE WOULD PAY **\$1,589,784**

# **CLAIM EXAMPLE OF \$1,000,000 OVER A 10-YEAR PERIOD**

- **GALLAGHER SELF-INSURED PLAN**
- **WE PAY THE FIRST \$300,000**
- **THE BUFFER COVERAGE PAYS \$200,000**
- **THE EXCESS LAYER COVERAGE PAYS \$500,000**
- **OUR LARGEST CLAIM IN 17 YEARS WAS \$940,615 WHICH OCCURRED IN 2000**



# TRUE COST DIFFERENTIAL POTENTIAL WITH THE GALLAGHER MODEL

## EXAMPLE FOR 2017-2018

- CLAIM TOTAL **\$600,000** ALL UNDER THE RETENTION LEVEL OF **\$300,000**
- OUR COST: **\$1,089,784** (INCLUDES THE \$600,000 IN CLAIMS and GALLAGHER'S COST FOR THE BUFFER, EXCESS POLICIES AND FEES)
- W/C TRUST CURRENT PROGRAM AND MOD: **\$2,033,612**
- W/C TRUST WITH A \$300,000 DEDUCTIBLE OPTION: **\$1,221,445** (INCLUDING ESTIMATED FEES)
- 5-YEAR COST DIFFERENTIAL POTENTIAL: **\$4,719,140**
- 5-YEAR COST DIFFERENTIAL POTENTIAL VS. THE W/C TRUST DEDUCTIBLE OPTION **\$658,305**