



Consideration of an Intergovernmental Agreement with South Carolina Municipal Insurance and Risk Financing Fund for Risk Sharing (SCMIRF) for Property and Casualty Coverage Including Tort Liability and Automobile Coverage for the Town of Bluffton

Presentation to Town Council
Steven Pecko, Finance Department
June 10, 2025



Town Insurance Background

- Insurance Reserve Fund (IRF)
 - Member since early 2000s
 - Automobile Comp & Collision, Automobile Liability, Inland Marine, Buildings & Property, Tort Liability
 - Renews annually on May 30th
- State Accident Fund
 - Member since 2009
 - Workers' Compensation Insurance
 - Renews annually on January 1st



IRF Changes

Policy	Old Deductible	New Deductible	FY27 Rate Increase
Data Processing	\$1,000	\$3,000	5%
Building & Personal Property	\$1,000	\$3,000	5%
Inland Marine	2% with \$500 min.	2% with \$3,000 min.	5%
Auto Comprehensive & Collision	\$500/\$500	\$1,000/\$1,000	15%
General Tort Liability	\$250	\$2,500	10%
Auto Liability	N/A	N/A	30%



Municipal Association of SC (MASC)

- SC Municipal Insurance & Risk Financing Fund (SCMIRF)
 - Provides all lines of property and casualty coverage including tort liability and auto coverage
 - Self-funded; program emphasizes loss control to minimize the member cost of risk
- SC Municipal Insurance Trust (SCMIT)
 - Provides self-funded workers' compensation protection for municipal employees



SCMIRF Application

- Interview with Loss Control Team
 - Review current policies and procedures
 - Opportunities to further minimize risk
- Self-Risk Assessments
 - Town Hall and Police Department
- Site visit to meet staff and assess Town properties and buildings



Insurance Proposals

IRF

Policy	Estimated Premium	
Auto Comp. & Coll.	\$	49,185
Buildings/Property/Inland Marine	\$	116,399
Auto Liability	\$	88,949
Tort Liability	\$	285,334
Cyber Liability*	\$	80,000
Total	\$	619,867

*Cyber Liability insurance not offered through IRF; this is the FY26 budgeted figure for comparison purposes.

MASC

Policy	Estimated Premium	
Auto Comp. & Coll.	\$	63,697
Buildings/Property/Inland Marine	\$	108,380
Auto Liability	\$	128,530
Tort Liability	\$	359,286
Cyber Liability**	\$	-
Total	\$	659,893

**Includes \$1 million of cybersecurity insurance offered at no additional premium to members.



Deductibles

Policy	MASC Deductible	IRF Deductible
Data Processing	\$1,000	\$3,000
Building & Personal Property	\$1,000	\$3,000
Inland Marine	\$1,000	2% with \$3,000 min.
Auto Comprehensive & Collision	\$1,000/\$1,000	\$1,000/\$1,000
General Tort Liability	\$1,000	\$2,500
Auto Liability	\$1,000	N/A



Additional SCMIRF Benefits

- Members entitled to \$1 million in cyber insurance at no additional cost
- Grant opportunities available to Public Services and Police Departments
- 5% Premium Credits for completing annual risk self-assessments
- Additional 2% discount for members enrolled in both SCMIRF and SCMIT



SCMIT

- Staff will apply to join SCMIT later this fall
- Current policy with State Accident Fund expires 12/31/2025
- Preliminary estimates reflect a cost savings of over \$60,000 by switching before any discounts or credits



Estimated Premiums

Policy	Current Est. Premium	MASC Est. Premium
Auto Comp. & Coll.	\$ 49,185	\$ 63,697
Buildings/Property/Inland Marine	\$ 116,399	\$ 108,380
Auto Liability	\$ 88,949	\$ 128,530
Tort Liability	\$ 285,334	\$ 359,286
Cyber Liability	\$ 80,000	\$ -
Workers' Compensation	\$ 357,440	\$ 296,994
Subtotal	\$ 977,307	\$ 956,887
MASC - 2% Policy Discount	\$ -	\$ (19,138)
MASC - 5% Self-Assessment Credit	\$ -	\$ (47,844)
Total	\$ 977,307	\$ 889,905



Timeline

Date	Details
6/30/2025	Policies remain effective with IRF through this date; SCMIRF coverage becomes effective to ensure no gaps in coverage
10/1/2025	Staff will apply to join SCMIT
11/11/2025	Staff will present the Agreement to Participate in SCMIT to Town Council
12/31/2025	Workers' Compensation coverage remain effective with State Accident Fund through this date
1/1/2026	SCMIT workers' compensation coverage will become effective



Recommended Motion

“I make a motion to approve a resolution authorizing the Town Manager to approve an intergovernmental agreement to participate in the South Carolina Municipal Insurance and Risk Financing Fund.”