

TOWN COUNCIL

STAFF REPORT

Finance & Administration Department



MEETING DATE:	November 13, 2025
PROJECT:	Formal Agenda: Consideration of an Agreement with the South Carolina Municipal Insurance Trust to Participate in the South Carolina Municipal Insurance Trust Workers' Compensation Fund
PROJECT MANAGER:	Steven Pecko, Accounting and Risk Manager

REQUEST: Town Council to authorize the Town Manager to change workers' compensation carriers from the State Accident Fund (SAF) to the Municipal Association of South Carolina's (MASC) South Carolina Municipal Insurance Trust (SCMIT) Workers Compensation Fund.

BACKGROUND: The Town currently maintains its workers' compensation coverage with SAF, an entity of the state of South Carolina. The current policy period runs from January 1st to December 31st each year. The chart below shows the annual workers' compensation premiums paid for the past two calendar years and the estimated premiums for the current policy period.

Policy Period	Premiums
1/1/25-12/31/25 (est.)	\$ 357,440.00
1/1/24-12/31/24	\$ 287,929.00
1/1/23-12/31/23	\$ 318,888.00

As part of the Town of Bluffton's Strategic Focus Area of Fiscal Sustainability to demonstrate fiscal responsibility, Staff researched other insurance programs to compare with our current policies. Options that Staff explored include MASC's SCMIT program, the South Carolina Association of Counties' Workers' Compensation Trust, and Self-Insurance. It was determined that MASC's SCMIT program was the best option and most comparable to our current policies through SAF.

Town Staff met with MASC staff twice, which included an onsite visit in Bluffton, to review the Town's current risk management policies and procedures and discuss the differences between SAF and MASC's programs. During the risk assessment process, the creation of a safety committee made up of Town Staff was recommended by MASC. This new committee would be responsible for reviewing all incidents at the Town, performing root cause analysis, and implementing best practices. Upon completion of both meetings, applying to SCMIT, and

performing risk self-assessments at Town Hall and the Police Department, MASC presented a proposal to the Town to join SCMIT.

The estimated premiums from SCMIT for the upcoming policy period reflect savings of over \$60,000, or 17%, prior to any discounts. In addition, SCMIT offers safety grant opportunities to Public Services and Police Departments, and there is an additional 5% premium credit for completing an annual risk self-assessment. MASC also provides on-site training on various risk management and loss control topics.

At the June 2025 Town Council meeting, Council approved a resolution authorizing the Town Manager to change insurance carriers from the Insurance Reserve Fund to MASC's South Carolina Municipal Insurance and Risk Financing Fund (SCMIRF). SCMIRF coverage includes automobile comp. and collision coverage, tort liability coverage, and buildings/property coverage. Members enrolled in both SCMIRF and SCMIT are entitled to 2% discounts on each program.

Policy	SAF Est. Premium	MASC Est. Premium
Workers' Compensation	\$ 357,440.00	\$ 296,994.00
MASC - 2% Policy Discount	\$ -	\$ (5,939.88)
MASC - 5% Self-Assessment Credit	\$ -	\$ (14,552.71)
Total	\$ 357,440.00	\$ 276,501.41

As part of the process, the SCMIT Board reviews and determines acceptance of jurisdictions into the Fund. At the October 8, 2025 SCMIT Board meeting, the Board officially approved the Town of Bluffton to join should Town Council approve the Resolution.

NEXT STEPS: Town Council may approve the Resolution or deny changing programs. Should Town Council approve, below is the timeline of changes in carriers:

- 12/31/2025 – Workers' Compensation Coverage will remain effective with SAF through this date.
- 1/1/2026 - SCMIT coverage will become effective with MASC on this date.

SUMMARY: Town Staff will work with MASC to ensure a clean transition between carriers and a Safety Committee is established during FY26.

ATTACHMENTS:

1. Presentation
2. Resolution
 - a. Exhibit A – SCMIT Agreement to Participate
3. Recommended Motion