

SPENCER COUNTY BOARD OF EDUCATION

Invitation to Bid

Lines of Insurance

Property
Inland Marine
Boiler & Machinery
Fleet
General Liability
Educators Legal Liability
Excess Umbrella Liability
Crime/Employee Dishonesty
Workers Compensation

Date Prepared: February 20, 2013

Prepared By: Vicki Goodlett, Finance Officer
Brett Beaverson, Director of Operations

Telephone: (502) 477-3250

Fax: (502) 477-3259

Email Address: brett.beaverson@spencer.kyschools.us

Equal Education and Employment Institution

Spencer County Public Schools does not discriminate on the basis of race, color,
National origin, sex, disability, or age in its programs and activities

Spencer County Board of Education
207 West Main Street
Taylorsville, KY 40071
502-477-3250
<http://publicschools.spencercounty.ky.gov/>

INVITATION TO BID

INSURANCE COVERAGE

Bid Items: Property, Inland Marine, Boiler & Machinery, Fleet, General Liability, Educators Legal Liability, Excess Umbrella Liability, Crime/Employee Dishonesty and Workers Compensation

Public Notice Date: February 20, 2013

Bid Opening Date: April 10, 2013 @ 10:00 a.m. (EDT)

Location of Opening: Spencer County School District Board Office
207 West Main Street, Taylorsville, KY 40071

Bid Purpose:

The purpose of this invitation to bid is to assist the Spencer County Board of Education (hereinafter referred to as Board of Education) in selecting, on a competitive basis:

- 1) A qualified agent or sales representative to advise on and service its insurance needs; and
- 2) An underwriting company or companies to provide needed and selected coverage.

Consideration will be given to each of the foregoing areas in the selection of a company, agent, and type of coverage.

Unless prohibited by legislative action, it is not the intent of the Board of Education to seek insurance proposals on an annual basis, but rather, to secure the services of an agent or company with whom a relationship may be maintained for an extended period of time. Subject to satisfactory service and negotiated renewal terms, it is anticipated that this risk will not be remarketed for a three year period.

Quotations for a number of coverages and alternatives are requested so the Board of Education may have the option of making a selection which it feels will be in its best interest.

In addition to providing quotations as requested, agents are invited to submit alternative plans of coverage. However, if alternative plans are submitted, a written summary must be made comparing coverages to those requested.

CLARIFICATION:

For clarification or If additional information is needed, please contact:

Brett Beaverson, Director of Operations - 502-477-3250
brett.beaverson@spencer.kyschools.us

GENERAL CONDITIONS AND INSTRUCTIONS FOR BIDDERS

Bids must conform to the specifications, terms, and conditions set forth in this invitation to bid.

1. Bids must be received not later than 10:00 a.m. (EDT) on April 10, 2013. **Faxed or emailed submissions will NOT be accepted. Bids received after the time designated for the bid opening will not be considered.** The Board of Education cannot assume responsibility for any delay as a result of failure of the mails or delivery services to deliver bids on time. All interested parties may attend. No immediate decision will be rendered concerning the proposals submitted.
2. Bidders must submit their bids in **duplicate** on the forms provided. **Bid forms must be fully completed and returned.** Bids submitted on company forms may be rejected.
3. Each bid form must be signed by an officer or member of the bidding firm who is authorized to legally bind the firm.
4. All bids shall be mailed or delivered in a **SEALED** envelope to the attention of Brett Beaverson, Director of Operations, Spencer County Board of Education, 207 West Main Street, Taylorsville, KY 40071. All envelopes are to be CLEARLY marked in the lower left corner '**Insurance Bid 2013-2014**'. The bidders name and return address are to appear in the upper left corner of the envelope.
5. The Board of Education reserves the right to waive defects and informalities in proposals, to reject any and all proposals or portions thereof, and to accept any proposals or portions thereof as may be deemed to its interest and to award by item, combination of items, or lot. It is acceptable for proposals for any line of insurance to be contingent upon writing any other line(s) of insurance as long as such restrictions are clearly stated in writing. In the case of identical bids the Board of Education reserves the right to award the contract by whatever method it chooses.
6. It is preferred that each agent quote all exposures with one company. If more than one company is used in preparing this ITB, each underwriting company must be listed and the bid specifications information requested must be completed for each underwriting company.
7. Bidders may submit additional information and data they believe will be helpful to the School Board in the evaluation of their qualifications or the suggested company(ies).
8. It is to be understood that the bidder, if awarded an order or contract, agrees to protect, defend and save harmless the Board of Education from any suits or demands for payment that may be brought against it for the use of any patented material, process, articles or device that may enter into the manufacture, construction, or part of the work covered by either order or contract. The bidder further agrees to indemnify and save harmless the Board of Education from suits or actions of every nature and description brought against it for, or on account of, any injuries or damages received or sustained by any party or parties by, or for any of the acts of the contractor, his servants or agents.

9. All bids shall be effective for sixty (60) days from the date of opening to allow for tabulation, evaluation, and acceptance by the Board of Education. A bidder may withdraw a bid after it has been submitted only if a written request is submitted and received prior to 10:00 a.m. (EDT) on April 10, 2013, without prejudice, by submitting a written request for its withdrawal to Brett Beaverson, Director of Operations.
10. No bid can be corrected, altered, or signed after being opened. All prices and quotations must be in ink or typewritten. No pencil figures will be accepted. Mistakes are to be crossed out and corrections inserted adjacent thereto and initialed by the person signing the bid.
11. The General Specifications included with the Property Insurance Specifications provided by the Kentucky Department of Education contain the following: "Proposals must be submitted on behalf of insurers licensed in the State of Kentucky and are strongly recommended to have a General Policyholder's rating of "A+ or A" and a financial size category of a minimum of Class XII, as listed in the latest published report of the Best Insurance Guide or shall be submitted on behalf of a self-insurance pool meeting the requirements of the State Department of Education. Each bid must be accompanied by a specimen policy, including all pertinent endorsements." The policies, forms and endorsements MUST meet the requirements of the Kentucky Department of Insurance and the Kentucky Department of Education. By submitting a bid, the bidder warrants that the proposed coverage fully complies with all KDE requirements in existence at the time the bid was submitted and that in the event a conflict between the language of the coverage documents and the KDE requirements, the KDE requirements will prevail and claims will be paid in accordance with those requirements. The insurer must be able to furnish a certificate of errors and omissions insurance with minimum limits of \$5,000,000. If the proposed carrier is a Risk Retention Group, Purchasing Group, Self-Insured Fund or Trust, the bid must so state; information outlining the structure of reinsurance, audited financial information and assessment provisions and assessment history, if any, must be included with the bid package.
12. All agents must have a valid Kentucky property and casualty insurance license. The responding agency must be able to furnish a Certificate of Insurance Agents Errors and Omissions Insurance with minimum limits of \$2,000,000. The bidder should list other school districts or colleges insured by the agency.
13. Bidders must be able to certify that neither they, nor their agency, or insurance company and its key employees have been proposed for debarment, debarred, or suspended by any Federal Agency or currently have any applicable license(s) suspended or revoked by the Kentucky Department of Insurance.
14. Please list response time of agents and claims office upon the Board of Education contacting the agent regarding a claim. It is understood that the appropriate information must be supplied to vendor for claims to be processed. Also list any added free service that you will supply if awarded a bid: i.e.: loss control training, etc.

15. All bids must be submitted in accordance with specifications and data provided in this Invitation to Bid document. The submission of a bid confirms that the bid meets any and all specifications unless all enhancements and exceptions are clearly noted. The scope of coverage offered by the bidder must be, at a minimum, equal or greater than the coverage required by law or regulation of the Kentucky Department of Education.
16. Any and all applicable taxes and all other charges of any description must be included in the Premium Bid Amount. Bids may be rejected if incorrect calculations are found. Federal Excise Taxes and Kentucky Sales and Use Taxes are not applicable to any purchase made for use by the Board of Education. Tax Exemption Certificates will be furnished upon request.
17. The submission of a bid on the Bid Form confirms that the carrier, if awarded the coverage, will provide the Board of Education with Currently Valued, Detailed Loss Runs within ten (10) days of a request during the period beginning with the inception of coverage and extending until five (5) full years beyond the expiration date of the coverage.
18. The bidder shall at all times observe and comply with all laws, ordinances, and regulations of the Federal, State, and local governments which may in any manner affect the preparation and/or performance of the contract. All Kentucky Statutes relating to bidding and to insurance shall be as binding as though quoted in full herein.
19. The Spencer County School District reserves the right to determine the ability of any bidder to perform the details of the contract and any bidder shall, upon request, furnish such information as may be necessary to determine such ability.
20. The following criteria will be used in arriving at the best bid proposal: cost of coverage; ability to meet requested coverage specifications and conditions; reputation of agent/agency in claims administration and service orientation, premium changes, and loss prevention.
21. Spencer County School District bidding and purchasing is conducted consistent with KRS 45A Model Procurement Code.
22. CONFLICTS OF INTEREST – A. KRS 45A.455 prohibits conflicts of interest, gratuities, and kickbacks to employees of the Board of Education in connection with contracts for supplies or services whether such gratuities or kickbacks are direct or indirect. B. KRS 45A.990 provides severe penalties for violations of the laws relating to gratuities or kickbacks to employees which are designed to secure a public contract for supplies or service.
23. COLLUSION TO RESTRAIN BIDS – KRS 45A.325 prohibits any agreement or collusion among bidders or prospective bidders which restrains, tends to restrain, or is reasonably calculated to restrain competition by agreement to bid at a fixed price, or refrain from bidding, or otherwise.

General Underwriting Information
(Common to All Policies)

The Named Insured: Spencer County Board of Education

Policy Terms:

All policies pursuant to this Invitation to Bid shall be for a period of one year – beginning at 12:01 a.m., July 1, 2013 and ending at 12:00 p.m. June 30, 2014.

In keeping with the current provisions of the Model Procurement Code, the Board of Education, at its sole discretion, may elect to renew coverage with the successful bidder each year for an additional period of two years beyond the initial policy period. The insurance company must notify the Board of Education of any changes in terms or any rate increase at least ninety (90) days prior to the anniversary date.

Delivery of contract:

The agent or company receiving the award of the School District's business shall furnish policies in duplicate no later than 30 days of the effective date.

Billing:

Terms of invoices shall be a minimum of net 30 days. All payment plans shall be shown as part of the proposal and shall include all installment and finance charges.

Nonrenewal Provisions:

Policies will be endorsed to provide for a notification period of ninety (90) days before the company can cancel or non-renew the policy, except for failure to pay premiums. The Board of Education may terminate the contract on a pro rate premium basis without penalty if the successful vendor fails to perform at any level specified in the contract document.

Procedure for Termination of Contract: Each party shall follow the procedure outlined below if a contract is to be terminated.

- a. Step 1: Issue a warning letter and outline the violations and the length of time to correct the problem.
- b. Step 2: Issue a letter of intent to cancel contract if the problem is not resolved by a given date.
- c. Step 3: Issue a letter of intent to cancel contract.

Loss Information:

All loss information available to the School District for the past five (5) years is contained in Attachment 1.

Additional Information:

If additional information is needed to complete your quotation, or if you wish to inspect the risk, please contact:

Brett Beaverson, Director of Operations
brett.beaverson@spencer.kyschools.us
502-477-3250

Spencer County Board of Education

(Responses reflect coverages offered by _____ Insurance Company)

Workers' Compensation (pursuant to Kentucky Law)

<u>Classification of Operations</u>	<u>Code#</u>	<u>Annual Payroll</u>	<u>Rate</u>	<u>Estimated Annual Prem.</u>
Professional Employees or Clerical	8868	\$12,572,000		
Drivers	7380	\$ 784,276		
All Other Employees	9101	\$ 1,023,130		
Total Premium				_____
Experience Modification _____				_____
Premium Discount				_____
Risk Assessment Modifier _____				_____
Expense Constant				_____
Estimated Policy Premium				_____
Premium Tax				_____
Total Estimated Annual Premium				_____

Limit of Employers Liability is to be as follows:
\$1,000,000 bodily injury by accident each employee
\$1,000,000 bodily injury by disease each employee
\$1,000,000 bodily injury by disease policy limit

Commercial General Liability Insurance

(Responses reflect coverages offered by _____ Insurance Company)

Policy Form

YES

NO

1. Coverage **must** be provided on an occurrence basis.
2. Is coverage on a pay-on-behalf basis?
3. Does the insurance company retain the duty to defend the District?

Limits of Insurance

1. Aggregate limit (other than Products-Completed Operations) \$2,000,000
2. Products-Completed Operations aggregate \$2,000,000
3. Personal & Advertising Injury limit \$1,000,000
4. Each Occurrence limit \$1,000,000
5. Fire Damage (any one fire) \$ 500,000
6. Medical Expense limit (any one person) \$ 10,000
7. Employee Benefits Liability \$1,000,000
8. Deductible \$ 0

Do the General Liability limits you propose meet or exceed
Those noted in items C. 1-7?

Mandatory Coverages

Included in quote:

1. Is coverage at least as broad as ISO form CG00 01 12 07?
2. Are school board and SBDM members covered as insureds?
3. Is the school board covered as an insured?
4. Are site-based councils covered as insureds?
5. Are student teachers covered as insured?

Spencer County Board of Education

Mandatory Coverages (continued)

	<u>YES</u>	<u>NO</u>
6. Are all district employees covered, (certified, classified, paraprofessionals, substitutes, temporary, etc...)	_____	_____
7. Are volunteers covered as insureds, including student volunteers?	_____	_____
8. Are employees covered as insureds for incidental medical malpractice, including all nurses, psychologists, and occupational, speech and physical therapists?	_____	_____
9. Are volunteers (including all licensed medical professionals) covered as insureds for incidental medical malpractice?	_____	_____
10. Are physicians involved in athletic programs covered as insureds for incidental medical malpractice?	_____	_____
11. Are physicians acting on the district's behalf in an advisory capacity regarding public health issues covered as insureds for incidental medical malpractice?	_____	_____
12. Are PTAs, PTOs, booster clubs, and other volunteer organizations who provide services and/or financial support to the school district covered as insureds?	_____	_____
13. Are volunteer members belonging to groups noted In item 10 covered as insureds?	_____	_____
14. Is there coverage for claims alleging school district negligence arising out of sexual abuse or molestation?	_____	_____
15. Is there coverage for student disciplinary actions?	_____	_____
16. Is there Pollution Liability coverage for:		
a. Bodily injury sustained within the building and caused by smoke, fumes, vapor or soot from equipment used to heat or cool that building?	_____	_____
b. Bodily injury or property damage arising out of heat, smoke or fumes from a hostile fire?	_____	_____
c. Bodily injury or property damage arising out of activities usual to classroom instruction on school premises?	_____	_____

Spencer County Board of Education

Mandatory Coverages (continued)

	<u>YES</u>	<u>NO</u>
d. Use and application of pesticides, herbicides or fertilizer?	_____	_____
17. Does the definition of <i>bodily injury</i> include:		
a. Mental injury?	_____	_____
b. Mental anguish?	_____	_____
c. Humiliation?	_____	_____
d. Shock?	_____	_____
e. Fright?	_____	_____
f. Emotional Injury?	_____	_____
g. Disability resulting from a through f above?	_____	_____
18. Does the definition of <i>personal injury</i> cover claims alleging an invasion of a person's right of privacy?	_____	_____
19. Does the definition of <i>personal injury</i> cover discrimination claims (not related to employment) based on race, national origin, color, age, sex, religion, physical disability and sexual preference?	_____	_____
20. Is Personal Injury coverage provided for claims arising out of the following, done by or for the District:		
a. Advertising?	_____	_____
b. Publishing?	_____	_____
c. Broadcasting?	_____	_____
d. Telecasting?	_____	_____
21. Will the policy reimburse an insured for defense or legal costs incurred (up to \$10,000) to defend alleged criminal activity if the insured is found innocent or the charges are dropped?	_____	_____

Spencer County Board of Education

Mandatory Coverages (continued)

YES

NO

22. Will the policy reimburse an insured up to \$500 for personal property damaged while the insured is in the process of restoring or maintaining order, when an insured is assaulted, or while any insured is supervising an assigned activity?

23. Is there at least \$100,000 of coverage for property damage to property under the District's care, custody, or control?

What deductible, if any, applies to these claims?

\$ _____

24. Is there at least \$2,500 of coverage for property damage to property of an employee in the care, custody, or control of an insured?

25. Is coverage provided for punitive or exemplary damages?

26. Is coverage provided for claims arising out of the use of climbing walls?

27. Is coverage provided for claims arising out of bouncers used by therapists?

28. Is there coverage for claims arising out of practicing for, or participating in, athletic or sports activities, contests, games, or events?

29. Is Nonowned Watercraft coverage provided, including coverage for watercraft used by teachers for instructional purposes?

30. If a length restriction applies, please note

31. Is coverage provided for the school district's liability arising out of cooperative arrangements established under Kentucky Statute?

32. Is coverage provided for claims arising out of the use and operation of hired or nonowned aircraft by employees, school board members, or volunteers?

33. Is Premises Medical Payments coverage, including first Aid, provided (excluding students)?

Spencer County Board of Education

Mandatory Coverages (continued)

YES

NO

34. Is Premises Medical Payments coverage provided for volunteers?

35. Are fellow employee bodily injury claims covered when Workers Compensation is not the exclusive remedy?

36. Is there coverage for contractual liability equivalent or better than ISO form CG0001 12 07?

If broader, please describe

37. Does the policy provide coverage for a sexual misconduct claim toward a student or other non-employee?

38. Is worldwide coverage equivalent or better than ISO CG0001 12 07?

If broader, please describe

39. Employee Benefits Liability. Does the policy provide at least five years prior acts coverage?

Is full prior acts coverage available?

If "YES" please indicate cost.

\$ _____

40. Is there coverage for silica?

41. Is there coverage for asbestos?

42. Is there coverage for violation of the various communications statutes?

43. Is there coverage for any claims arising out of our employees, volunteers, students, guests or invitees using the Internet and viewing inappropriate material which upsets or harasses others.

44. Is a blanket waiver of subrogation provided as per ISO form CG0001 12 07, condition IV (8)?

45. Is liability coverage (including products and completed operations) provided for garage operations (not Garagekeepers Legal Liability)?

Spencer County Board of Education

Mandatory Coverages (continued)

YES

NO

46. Is there coverage for any claims arising out of the use of district facilities by outside groups?

47. Please indicate below any extra or special coverages offered by the policy other than those provided in a standard ISO Commercial General Liability policy.

48. Is the policy subject to audit?

49. Is terrorism coverage included as defined by TRIPRA?

If premium is not already included in premium summary, indicate additional premium

\$ _____

50. Are defense costs paid in addition to policy limits?

Spencer County Board of Education

Commercial Automobile Insurance (Fleet)

(Responses reflect coverages offered by _____ Insurance Company)

Limits:

- | | | |
|---|---|-------------|
| 1. Bodily Injury/Property Damage | per occurrence
(combined single limit) | \$2,000,000 |
| 2. Uninsured Motorist | per occurrence | \$ 500,000 |
| 3. Underinsured Motorist | per occurrence | \$ 500,000 |
| 4. Personal Injury Protection | per person | \$ 20,000 |
| 5. Deductible (physical damage claims only) | (provide quotes for optional deductibles) | |

Mandatory Liability Coverages

Included in quote:

YES

NO

- | | | |
|--|-------|-------|
| 1. The policy must include liability and physical damage coverage on owned, leased, hired and nonowned vehicles. Does the policy meet this requirement? | _____ | _____ |
| 2. Are defense costs in addition to policy limits? | _____ | _____ |
| 3. Are school board members covered as insureds when driving their own automobiles on behalf of the district? | _____ | _____ |
| 4. Are employees covered as insureds when driving their own automobiles on behalf of the school district? | _____ | _____ |
| 5. Are volunteers covered as insureds when driving their own automobiles on behalf of the district? | _____ | _____ |
| 6. Are PTAs/PTOs, booster clubs, or other volunteer organizations who provide services and/or financial support to the district covered as insureds? | _____ | _____ |
| 7. Are the volunteer members belonging to the groups noted in item 5 covered as insureds? | _____ | _____ |
| 8. Are students who are part of an auto repair curriculum covered as insureds? | _____ | _____ |

Spencer County Board of Education

Mandatory Liability Coverages (continued)

YES

NO

9. Has the Fellow Employee exclusion been modified to provide coverage for claims allowed by law?

10. Is coverage provided for punitive or exemplary damages, except under Uninsured and Underinsured Motorist coverage?

11. Is at least \$100,000 of coverage provided for property damage to property in the district's care, custody, or control?

What deductible, if any, applies to these claims?

12. Will the policy reimburse our employees, board members, or volunteers for the physical damage deductible applicable to their auto (up to \$500) as the result of operating or using the auto on district school business?

13. Is at least \$2,500 of coverage provided for property damage to property owned by, rented, or leased to an employee, board member, or volunteer while used on school district business, except autos owned by them?

14. Is Contractual Liability coverage provided for rented or leased autos equivalent or better than ISO form CA0001 10 01?

15. Is coverage worldwide for vehicles that are hired, rented or borrowed equivalent or better than ISO form CA0001 10 01?

16. Is a blanket waiver of subrogation provided as per ISO form CA0001 10 01, condition IV(A)(5)?

17. Does the policy meet the requirements of KRS 160.310, 702 KAR 5:070?

18. Is Physical Damage Coverage quoted at actual cash value?

19. Is liability coverage included for the operation of vehicles in conjunction with automobile repair curriculum?

Spencer County Board of Education

Optional Liability Coverages (continued)

YES

NO

20. Is terrorism coverage included as defined by TRIPRA?

If premium is not already included in premium summary,
indicate additional premium.

\$

21. Is catastrophe management coverage included?

If premium is not already included in premium summary,
indicate additional premium.

\$

22. Please indicate below any extra or special coverages offered by the policy other than those provided in a standard ISO Automobile form CA 00 01 10 01.

Spencer County Board of Education

Excess Umbrella Liability Insurance

(Responses reflect coverages offered by _____ Insurance Company)

Limits

Each Occurrence	\$5,000,000
Aggregate (no aggregate will apply to auto liability losses)	\$5,000,000

Coverages

Included in Quote:

1. Coverage **must** be written on a follow form basis.
2. Coverage **must** extend the limits of all underlying liability coverages, including General Liability, Auto Liability, and Educators' Legal Liability.

	<u>YES</u>	<u>NO</u>
3. Are First Dollar defense costs provided if limits become exhausted?	_____	_____

Spencer County Board of Education

Educators' Legal Liability

(Responses reflect coverages offered by _____ Insurance Company)

Limits

- | | |
|-------------------|--|
| 1. Per Occurrence | \$1,000,000 |
| 2. Aggregate | \$1,000,000 |
| 3. Deductible | (provide quotes for optional deductibles) |

Mandatory Coverage:

1. Coverage must be provided for all employment related practices.
2. Coverage must be provided for errors and omissions.
3. Coverage must be provided for:
 - a. Incidental medical malpractice
 - b. Harrassment
 - c. Sexual molestation
 - d. Sexual abuse
 - e. Special Education Section 504 and ADA
 - f. Law Enforcement Liability
 - g. Tax Assessment Liability
 - h. Eminent Domain
 - i. Inverse Condemnation
4. Regarding sexual molestation and sexual abuse, coverage must be provided for claims against the board directly or indirectly related to such claims, including negligent hiring, failure to supervise, etc...
5. Policy **MUST** provide for "prior acts" coverage on an "unlimited basis".
6. The following are to be covered as insureds:
 - a. The school district
 - b. The school board
 - c. School Board members
 - d. Superintendent and principals
 - e. Employees
 - f. PTAs, PTOs or other volunteer organizations and their members
 - g. Student teachers
 - h. Volunteers

Spencer County Board of Education

Please answer the following

YES

NO

1. Is coverage provided for claims alleging sexual misconduct:
 - a. For the District? _____
 - b. For the perpetrator? _____
 - c. Alleged by a student? _____
2. Does the insurance company retain the duty to defend? _____
3. Are defense costs paid in addition to policy limits? _____
4. Is coverage provided for Wrongful Employment Termination claims? _____
5. Is coverage provided for Employment Discrimination claims? _____
6. Contractual Liability:
 - a. Is coverage provided for wrongful breach of contract claims that are not related to employment? _____
 - b. Are consequential damages arising from these breach of contract claims covered? _____
7. Is coverage provided for claims alleging civil rights violations? _____
8. Is coverage provided for claims brought by students alleging discrimination? _____
9. Is coverage available for punitive or exemplary damages?
If YES, indicate additional cost to include _____
10. Is Defense coverage provided for purely equitable or injunctive relief claims where no money damages are demanded? _____

If the answer is YES, please describe how, is at all, the nonmonetary coverage is limited.

11. Is coverage provided for claims arising from activities in a Fiduciary capacity as respects to any employee benefit plan? _____
12. Is coverage provided for failure to affect or maintain any insurance or bond? _____

Spencer County Board of Education

Please answer the following	<u>YES</u>	<u>NO</u>
13. Is coverage provided for cross-claims and counterclaims between insureds?	<hr/>	<hr/>
14. Is coverage provided for non-monetary claims?	<hr/>	<hr/>
15. Is coverage provided to the school district for its liabilities arising out of its involvement in a cooperative?	<hr/>	<hr/>
16. Is any cooperative under Kentucky Law in which the school district participates covered as an insured to the extent the district is liable to the entity as specified in the Cooperative Agreement?	<hr/>	<hr/>
17. Is defense coverage provided for Special Education claims alleging:		
a. A violation of Federal Act 504	<hr/>	<hr/>
b. A violation of IDEA?	<hr/>	<hr/>
c. Improper IEPs?	<hr/>	<hr/>
18. Is coverage provided for plaintiff attorneys fees awarded in connection with the claims listed under items 23 a-c?	<hr/>	<hr/>
19. Describe when defense coverage will be provided for administrative or regulatory agency hearings such as State Employment Commission, Equal Employment Opportunity Commission (EEOC), Arbitration Proceedings:		
<hr/>		
<hr/>		
<hr/>		
20. Describe when Defense coverage will be provided for administrative/due process hearings associated with Special Education claims:		
<hr/>		
<hr/>		
21. Describe coverage provided for claims alleging integration or desegregation of students based on race, national origin, or ethnic background:		
<hr/>		
<hr/>		

Spencer County Board of Education

Please answer the following

YES

NO

22. Describe the provisions of the policy's Consent to Settle Clause:

23. Terrorism:

a. Is terrorism coverage included as defined by TRIPRA?

Figure 1 consists of two horizontal bar charts. The left chart shows the percentage of respondents for 'All respondents' and 'Respondents who have been in the military'. The right chart shows the percentage of respondents for 'All respondents' and 'Respondents who have been in the military'.

b. If premium is not already included in premium summary, indicate additional premium.

\$ _____

24. Identify type of policy form:

Claims Made

Occurrence

Please refer to item 5, if answer to item 24 is claims made.

Spencer County Board of Education

Property Insurance/Inland Marine/Boiler and Machinery/Crime

(All-Risk, blanket basis coverage)

(Responses reflect coverages offered by _____ Insurance Company)

Values – Replacement Cost:

1. Buildings	100% Total Insured Value
2. Contents (personal property)	100% Total Insured Value
3. Property in the Open	\$ 5,000,000
4. Extra Expense Coverage: Extra costs incurred to keep school facilities open if property is damaged, including rental of space, equipment, extra transportation costs, etc	\$ 5,000,000
5. Expediting Expense	\$ 500,000
6. Loss of Income	\$10,000,000
7. Transportation	\$ 500,000
8. Ordinance and Law	\$ 5,000,000
9. Debris Removal	\$ 1,000,000
10. Demolition and Increased Cost of Construction	\$ 5,000,000
11. Deductible	(provide quotes for optional deductibles)

Are the following Mandatory Coverage Provisions Included in quote?

YES

NO

1. Is the "All-Risk" coverage subject to any exclusions?	_____	_____
2. Burglary and theft coverage?	_____	_____
3. Agreed Amount clause waiving coinsurance obligation?	_____	_____
4. Replacement Cost coverage?	_____	_____
5. Blanket coverage for buildings, contents and property in the open?	_____	_____
6. Is coverage provided for Property of Others in school district's care, custody, or control?	_____	_____
7. Is property temporarily at any other location covered?	_____	_____
If YES, indicate amount	\$ _____	

Spencer County Board of Education

	<u>YES</u>	<u>NO</u>
8. Is property while in transit covered?	_____	_____
If YES, indicate amount	\$ _____	
9. Is flood coverage included?	_____	_____
10. Is earth movement coverage included?	_____	_____
11. Does the replacement cost coverage require replacement on the same site where property was destroyed?	_____	_____
12. Is a joint Loss Agreement with the Boiler & Machinery Insurance company available?	_____	_____
13. Is coverage provided for losses caused by the operation of building laws or ordinances?	_____	_____
14. Is there coverage for any claims arising out of the use of district facilities by outside groups?	_____	_____
15. Is coverage available for unscheduled locations?	_____	_____
If YES, indicate limit	\$ _____	
If YES, indicate additional premium	\$ _____	
16. Is coverage available for newly acquired locations?	_____	_____
If YES, indicate limit	\$ _____	
If YES, indicate additional premium	\$ _____	
17. Is Pollution coverage included?	_____	_____
If YES, indicate limit	\$ _____	
If YES, indicate additional premium	\$ _____	

Questions to be answered by all bidders:

1. Does the glass coverage have any limitations? Describe:

2. Are there any limitations on coverage for vacant buildings? Describe:

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3. Are there any limitations on coverage for unoccupied buildings? Describe:

4. Terrorism:

a. Is terrorism coverage included as defined by TRIPRA? _____

b. If premium is not already included in premium summary,
Indicate additional premium. \$ _____

23. Catastrophe Management:

a. Is catastrophe management coverage included? _____

b. If premium is not already included in premium summary,
indicate additional premium. \$ _____

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Inland Marine

Values

- | | |
|--|-----------------|
| 1. Special Portable Property – musical instruments, audio/visual equipment, uniforms, costumes, tools, scientific equipment, sports equipment, property on exhibit, marquees and signs, unattached to building | included in TIV |
| 2. Fine Arts – Painting, sculptures, stained glass, photos, antiques, historical pieces, rare books, collections, etc... | \$ 25,000 |
| Deductible: | \$ 1,000 |
| 3. Contractors Equipment – tractors, sweepers, bobcats, ATVs, golf carts, self-propelled lawn or snow removal equipment, fork lifts, etc... | included in TIV |
| 4. Electronic Data Processing (EDP) | |
| a. Hardware | included in TIV |
| b. Software | included in TIV |
| c. EDP Extra Expense | \$ 100,000 |
| 5. Valuable Papers and Records | \$ 100,000 |
| 6. Accounts Receivable | \$ 100,000 |

Questions to be answered

1. Describe computer coverage for damage caused by:
 - a. Short circuit, power surge, blowout, electrical arcing, etc..

 - b. Electrical or mechanical breakdown, failure, malfunction

 - c. Design error

 - d. Dampness, dryness, change in humidity or temperature

Spencer County Board of Education

2. If not already provided, can coverage be provided for damage to computers caused by items E 1 (a-d) above? **YES** **NO**

Item 1 a	Additional Cost	\$ _____	_____	_____
Item 1 b	Additional Cost	\$ _____	_____	_____
Item 1 c	Additional Cost	\$ _____	_____	_____
Item 1 d	Additional Cost	\$ _____	_____	_____

3. Terrorism:

- a. Is terrorism coverage included as defined by TRIPRA? _____
- b. If premium is not already included in premium summary, indicate additional premium \$ _____

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Boiler and Machinery

Limits

- | | | |
|---|--------------|--------------|
| 1. Direct Loss | \$50,000,000 | per accident |
| 2. Indirect Loss | included | |
| 3. Extra Expense | \$ 5,000,000 | per accident |
| 4. Business Interruption | \$ 5,000,000 | per accident |
| 5. Expediting Expenses | \$ 1,000,000 | per accident |
| 6. Hazardous Substance | \$ 200,000 | per accident |
| 7. Water damage (other than flood
and surface water) | included | |
| 8. Ammonia Contamination | \$ 50,000 | per accident |
| 9. Product or Food Spoilage | \$ 50,000 | per accident |
| 10. Consequential Damage | included | |

Refrigeration Interruption – 12 hours

Consequential Interruption – 24 hours

Utility Interruption – 24 hours

Spencer County Board of Education

Crime Coverage

Limits

Employee Dishonesty

- | | |
|-------------------------|------------|
| 1. Per Loss | \$ 100,000 |
| 2. Deductible, per loss | \$ 1,000 |

Questions

YES

NO

- | | | |
|--|-------|-------|
| 1. Is coverage provided for losses caused by treasurer? | _____ | _____ |
| 2. Is coverage provided for losses caused by students while handling or processing property or funds in connection with sanctioned activities? | _____ | _____ |
| 3. Is coverage provided for all officers and board members other than the Treasurer? | _____ | _____ |
| 4. Is coverage included for individuals required to be bonded by law? | _____ | _____ |
| 5. Is coverage provided for terminated employees for at least 60 days after termination? | _____ | _____ |
| 6. Is coverage provided for losses caused by the failure of any employee to faithfully perform duties? | _____ | _____ |
| 7. Is coverage provided for losses arising out of the conversion of property of others? | _____ | _____ |
| 8. Does coverage include Employee Benefit Plans? | _____ | _____ |

Loss of Money & Securities (Theft, Disappearance, and Destruction)

- | | |
|--------------------------------|------------|
| 1. Inside Premises – Limit | \$ 100,000 |
| 2. Outside Premises – Limit | \$ 100,000 |
| 3. Deductible – per occurrence | \$ 500 |

Forgery & Alteration

- | | |
|---------------|------------|
| 1. Limit | \$ 100,000 |
| 2. Deductible | \$ 1,000 |

Agent Qualification/Service Questionnaire

- A. Name of servicing agent: _____
- B. Insurance education and designations: _____
- C. Years in insurance business: _____
- D. Number of support staff available to service our account: _____
- E. Service you will provide:
- | | <u>YES</u> | <u>NO</u> |
|--|------------|-----------|
| 1. Prepare an annual written summary of coverage | _____ | _____ |
| 2. Summarize loss/premium statistics annually | _____ | _____ |
| 3. Assist in claims processing | _____ | _____ |
| 4. Other _____ | _____ | _____ |
- _____
- F. Does your agency carry Errors & Omissions Insurance _____
- If YES, please complete the following
- | | |
|-------------------|----------|
| Insurance Company | _____ |
| Limits | \$ _____ |
| Policy Number | _____ |
| Policy Period | _____ |
- G. Number of Kentucky school districts currently served by your agency _____
- H. References: _____
- _____
- I. This checklist has been completed by:
- Agent Signature _____
- Company _____
- Date _____

Insurance Company Qualifications/Services Questionnaire

A. Company: _____

B. Coverages quoted: _____

C. Current Best's Ratings:

1. Policyholder _____

2. Financial Size _____

D. Estimated number of Kentucky schools currently served: # _____

E. How many consecutive years has the company been insuring schools in KY _____

F. Claims services you will provide:	<u>YES</u>	<u>NO</u>
--------------------------------------	------------	-----------

1. Staff adjusters in Kentucky	_____	_____
--------------------------------	-------	-------

2. Independent adjusters	_____	_____
--------------------------	-------	-------

3. Annual loss summaries	_____	_____
--------------------------	-------	-------

G. Loss Prevention:

1. Number of loss prevention personnel in Kentucky # _____

2. Frequency of inspections

3. Are written reports issued?	_____	_____
--------------------------------	-------	-------

H. Other services you will provide:

1. Building valuations	_____	_____
------------------------	-------	-------

2. Review of construction plans	_____	_____
---------------------------------	-------	-------

3. Other _____		
----------------	--	--

Completed By: _____

Date: _____

Bidder Response

*This form MUST be complete. Do not simply refer to policy or to another bid document.
You may handwrite responses legibly in ink.*

Bidding Entity: _____

Insurer: _____

Property & Liability

	Our Bid Parameter (minimum)		Your Bid Response	
Is your insurance program assessable?				
Property				
Grand Total Property Insurance Premium	Must be the total of shaded amounts below in this section ⇄		\$	
Property insurance premium (only)			\$	
Property deductible	\$1,000 per event	\$2,000 per event	\$	\$
Amount of flood coverage limit, if applicable			\$	
Flood deductible per event			\$	
Flood insurance premium			\$	
Did you include Flood premium above in the Grand Total Property premium?	Yes (and please break out on the previous line also)			
Amount of earthquake coverage limit, if applicable			\$	
Earthquake deductible per event			\$	
Earthquake insurance premium			\$	
Did you include Earthquake premium above in the Grand Total Property premium?	Yes (and please break out on the previous line also)			
Data/Financial coverage:				
Electronic Data Processing – extra expense	\$100,000		\$	
Valuable Papers	\$100,000		\$	
Accounts Receivable	\$100,000		\$	
Equipment/Inland Marine deductible	\$1,000 I \$2,000		\$ I\$	
Equipment/Inland Marine insurance premium			\$	
Did you include Inland Marine premium above in the Grand Total Property premium?	Yes (and please break out on the previous line also)			
Boiler & Machinery limit	\$50,000,000		\$	
Boiler & Machinery deductible	\$1,000		\$	
Boiler & Machinery insurance premium			\$	
Did you include Boiler & Machinery premium above in the Grand Total Property premium?	Yes (and please break out on the previous line also)			
Computer coverage limit			\$	
Computer insurance premium			\$	
Did you include Computer premium above in	Yes (and please break out			

the Grand Total Property premium?	on the previous line also)		
Software coverage limit			\$
Software insurance premium			\$
Did you include Software premium above in the Grand Total Property premium?	Yes (and please break out on the previous line also)		
Classroom chemical spill coverage limit	\$50,000		\$
Classroom chemical spill coverage deductible	\$1,000		\$
Employee Dishonesty coverage limit (blanket)	\$100,000		\$
Employee Dishonesty deductible	\$1,000		\$
Employee Dishonesty insurance premium			\$
Did you include Employee Dishonesty premium above in the Grand Total Property insurance premium?	Yes (and please break out on the previous line also)		
Property in the Open includes the following types of property from ALL locations: Sidewalks, curbing, benches, trash receptacles, lighting, fencing, railings, paving, playground equipment, signage, goal posts, scoreboards, press boxes, concession stands, backstops, dugouts, synthetic playing field, netting, flagpoles, bleachers, gates, outside athletic and fixed agricultural equipment. Any exceptions or limitations should be clearly stated in your response (in the space to the right).	\$5,000,000		
Other Property insurance premium not listed above (provide details):			\$ \$ \$
Did you include Other Property premiums above in the Grand Total Property insurance premium?	Yes (and please break out on the previous line also)		
FLEET			
Fleet Liability Insurance Premium			\$
Deductible-Comprehensive/Collision	\$1,000/\$1,000	\$2,000/\$2,000	\$ \$
Bodily Injury coverage	\$2,000,000 per occurrence combined or \$250,000/\$2,000,000 split		\$
Uninsured/Underinsured Motorists coverage	\$500,000		
No-Fault coverage	\$20,000 per passenger		
Personal Injury Protection coverage	\$20,000 per passenger		
Damage coverage for hired/non-owned vehicles	\$50,000 per passenger		

New vehicles covered automatically?		
GENERAL LIABILITY		
Grand Total GL Insurance Premium	Must be the total of shaded amounts below in this section ⇌	\$
General Liability limits	\$1,000,000 per occurrence \$2,000,000 aggregate	
Bodily Injury Liability coverage included?	Yes	
Property Damage coverage included?	Yes	
Personal Injury (libel/slander) coverage included?	Yes	
Employee Benefits Liability limits	\$1,000,000 per employee \$2,000,000 aggregate	
Employee Benefits Liability premium		\$
Did you include Employee Benefits premium above in the Grand Total GL premium?	Yes (and please break out on the previous line also)	
What is the Employee Benefits Liability retroactive date? (minimum 5 years)	Date:	
Sexual Misconduct & Molestation Liability limits	\$1,000,000 per occurrence \$1,000,000 aggregate	\$ \$
Sexual Misconduct & Molestation premium		\$
Did you include Sexual Misconduct & Molestation Liability premium above in the Grand Total GL premium?	Yes (and please break out on the previous line also)	
Sexual Misconduct & Molestation Innocent Party Defense limit	\$100,000	\$
Innocent Party Defense limit		\$
Did you include Sexual Misconduct & Molestation Innocent Party Defense premium above in the Grand Total GL premium?	Yes (and please break out on the previous line also)	
Other GL insurance premium not listed above (provide details):		\$ \$
Did you include Other GL premiums above in the Grand Total GE insurance premium?	Yes (and please break out on the previous line also)	
EDUCATOR'S LEGAL LIABILITY		
Educator's Legal Liability Insurance Premium		\$
Educator's Legal Liability deductible	\$1,000	\$
Educator's Legal Liability limits	\$1,000,000 per occurrence \$1,000,000 aggregate	\$ \$
Educator's Legal Liability retroactive date	Unlimited	

(If not "Unlimited", we MUST get a separate unlimited retro/prior acts policy for sexual abuse/molestation claims, including negligent hiring, retention, or supervision. By signing, bidder is indicating that the premium for such a policy included above at no additional cost.)		
Educator's Legal Liability Non-Monetary Relief Defense limit	\$100,000	\$
UMBRELLA		
Umbrella Liability Insurance Premium		\$
Umbrella Liability coverage includes: (bidder is to write in the liability policies covered under Umbrella Liability policy)	Fleet Liability General Liability Educator's Legal Liability	
Workers Comprehensive Totals		
Total Estimated Annual Premium	\$	

I, _____ (please print) hereby certify that this bid is made in compliance with the laws and regulations of the Kentucky Department of Education and Kentucky Department of Insurance.

I certify on behalf of myself, my agency, and/or insurance company and its key employees that neither I, the company, nor its key employees have been proposed for debarment, debarred, or suspended by any Federal Agency or currently has any applicable license(s) suspended or revoked by the Kentucky Department of Insurance.

I also certify that this bid has been prepared and submitted without collusion (KRS 45A.325).

I hereby acknowledge that this Invitation, the District Information Data Surveys and the Bid Form(s) and attachments submitted by my bidding firm are incorporated by reference in any contract of insurance entered into between my bidding entity and the Board of Education.

Authorized Signature

Date

Agency

Address

Telephone Number

"PROHIBITION AGAINST CONFLICTS OF INTEREST, GRATUITIES AND KICKBACKS"

ANY EMPLOYEE OR ANY OFFICIAL OF THE BOARD OF EDUCATION OF SPENCER COUNTY, KENTUCKY, ELECTIVE OR APPOINTIVE, WHO SHALL TAKE, RECEIVE, OR OFFER TO TAKE OR RECEIVE, EITHER DIRECTLY OR INDIRECTLY, ANY REBATE, PERCENTAGE OF CONTRACT, MONEY, OR OTHER THINGS OF VALUE, AS AN INDUCEMENT OR INTENDED INDUCEMENT, IN THE PROCUREMENT OF BUSINESS, OR THE GIVING OF BUSINESS, FOR OR TO, OR FROM, ANY PERSON, PARTNERSHIP, FIRM OR CORPORATION, OFFERING, BIDDING FOR, OR IN OPEN MARKET SEEKING TO MAKE SALES TO THE BOARD OF EDUCATION OF SPENCER COUNTY, KENTUCKY, SHALL BE DEEMED GUILTY OF A FELONY AND UPON CONVICTION SUCH PERSON OR PERSONS SHALL BE PUNISHED BY A FINE NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000) OR BY IMPRISONMENT IN THE PENITENTIARY FOR NOT LESS THAN ONE (1) YEAR NO MORE THAN TEN (10) YEARS, OR BOTH SO FINED AND IMPRISONED IN THE DISCRETION OF THE JURY.

EVERY PERSON, FIRM, OR CORPORATION TO MAKE, OR PAY, OR GIVE, ANY REBATE, PERCENTAGE OF CONTRACT, MONEY OR ANY OTHER THING OF VALUE, AS AN INDUCEMENT OR INTENDED INDUCEMENT, IN THE PROCUREMENT OF BUSINESS, OR THE GIVING OF BUSINESS, TO ANY EMPLOYEE OR TO ANY OFFICIAL OF THE BOARD OF EDUCATION OF SPENCER COUNTY, KENTUCKY, ELECTIVE OR APPOINTIVE, IN HIS EFFORTS TO BID FOR, OR OFFER FOR SALE, OR TO SEEK IN THE OPEN MARKET, SHALL BE DEEMED GUILTY OF A FELONY AND SHALL BE PUNISHED BY A FINE NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000) OR BY IMPRISONMENT IN THE PENITENTIARY FOR NOT LESS THAN ONE (1) YEAR NOR MORE THAN TEN (10) YEARS, OR BOTH SO FINED AND IMPRISONED IN THE DISCRETION OF THE JURY.

NOTE: IT IS A MISDEMEANOR NOT TO HAVE THIS PROHIBITION ON EVERY SOLICITATION OR CONTRACT. THE PENALTY IS A \$5,000 FINE OR ONE (1) YEAR IMPRISONMENT OR BOTH ON CONVICTION.

**PROPOSAL FORM
CONFLICT OF INTEREST**

It shall be a breach of ethical standards for any employee with procurement authority to participate directly in any proceeding or application; request for ruling or other determination; claim or controversy; or other particular matter pertaining to any contract or subcontract, and any solicitation or proposal therefore, in which to his knowledge:

- a. He, or any member of his immediate family, has a financial interest herein: or
- b. a business or organization which he or any member of his immediate family has a financial interest as an officer, director, trustee, partner or employee, is a party; or
- c. any other person, business, or organization with whom he or any member of his immediate family is negotiating or had an arrangement concerning prospective employment is a party. Direct or indirect participation shall include, but not limited to, involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of an specification or purchase standard, rendering of advice, investigation, auditing or in any other advisory capacity.

It is a violation of Kentucky Law for any board member or employee, or a member of their immediate family, to have a pecuniary interest either directly or indirectly in an amount exceeding \$25.00 per year in any purchase of goods or services by the Board of Education or any school thereof. Violation of this provision subjects the board member or employee to forfeiture of their position and/or employment with the school system.

I, hereby, certify that no member of my immediate family is an employee or board member of the Spencer County Board of Education.

Signature

Date

References: KRS 156.480, OAG 80-32, Model Procurement Code 45A.455

List of Attachments

- I. Five Years Loss Runs
- II. Three Years Workers Compensation Audits
- III. Fleet Inventory
- IV. Driver List
- V. Current Statement of Values
- VI. Copies of Current Policy
- VII. Supplemental Information
- VIII. Latest Audited Financial Statement

CHECKLIST OF BID COMPLETION REQUIREMENTS

_____ **Have pages 7 through 34 been completed in entirety?**

Please be certain to answer all questions. Where a response may be non-applicable or -0-, please note as such.

_____ **Have all pages requiring a signature been signed?**

Page 29, Agent Questionnaire

Page 30, Company Questionnaire (one for each underwriter used in the quote)

Page 34, Bid Form Certification

Page 36, Conflict of Interest Certification

_____ **Has a duplicate been made of pages 7 through 34 and page 36, and any additional attachments you may be submitting as part of your bid?**

_____ **Have you enclosed pages 7 through 34 and page 36 along with your attachments in duplicate in a sealed envelope? Have you noted "Insurance Bid 2013-2014" in the lower left corner of the envelope? Is your agency name and address shown in the upper left corner of envelope?**

BID OPENING APRIL 10, 2013 10:00 A.M. (EDT)