

**RE: KSBIT plan**

Clark, Sharon P (PPC) [SharonP.Clark@ky.gov]

**Sent:** Monday, July 08, 2013 9:40 AM**To:** Hawkins, Scott**Cc:** Wilson, Ambrose (PPC); Poe, Randy - Superintendent; Adams, Charles (Superintendent); Desai, Hiren - Associate Commissioner, Office of Administration and Support; Orme, Shaun (PPC)

Thank you Superintendent Hawkins. As you know, the assessment plan was just received by the Department and is under review. The matter of payment (terms, etc.) will be one of the considerations in our review. I know that Commissioner Holiday has included the KSBIT issue as one of the issues at the Superintendent Summit in August. It would be interesting to know if your preference on payment is shared by other Superintendents. I am copying Hiren Desai on this email so hopefully, the topic of payment preference could be included at the Summit Roundtables. Please be assured that the Department of Insurance joins others in Governor Beshear's administration in continuing our pledge to provide as much assistance as possible to our school systems in addressing the KSBIT insolvency.

*Sharon P. Clark*

Commissioner

Kentucky Department of Insurance

502/564-6026 (phone)

502/564-1453 (fax)

SharonP.Clark@Ky.gov

Confidentiality Statement: "This e-mail, including any attachments, is private and confidential and contains information intended to be conveyed only to the designated recipient(s). If you are not an intended recipient(s), please delete this e-mail, including all attachments, and notify me by return mail, e-mail, or by phone 502-564-6026. The unauthorized use, dissemination, distribution, or reproduction of this e-mail, including attachments, is prohibited and may be unlawful".

---

**From:** Hawkins, Scott [mailto:scott.hawkins@woodford.kyschools.us]**Sent:** Monday, July 08, 2013 9:33 AM**To:** Clark, Sharon P (PPC)**Cc:** Wilson, Ambrose (PPC); Poe, Randy - Superintendent; Adams, Charles (Superintendent)**Subject:** KSBIT plan

Commissioner Clark,

Superintendents and school board members across the state recently received an email from KSBIT indicating that their board had approved submitting the novation option to your office for consideration. I was disappointed to see that the only payment options for school districts are either the lump sum payment or the 20 year bond option. Given the amount that many districts are faced with paying, I am certain that the lump sum option will not be affordable for many. I had hoped that we would have the opportunity to pay our assessment over a 2-3 year period instead of having to bond the amount and pay so much interest. I do believe that KSBIT deliberately mislead districts and purposefully quoted lower premiums than they knew were necessary to remain in operation. In our meetings earlier this spring, you indicated your desire to help school districts as much as you possibly could and I certainly appreciate that. I just wanted to share my thoughts (and I believe the thoughts of many superintendents across the state) with you in advance of receiving the proposal from KSBIT.

If you have any questions, please let me know.

Thanks for your help and your consideration.

Scott