



School Insurance Proposal

Prepared For:

Dawson Springs Board of Education

Presented By:

Higgins Insurance

Date of Proposal: May 11, 2015
Version 2

Effective Date: July 1, 2015

Expiration Date: July 1, 2016

This proposal is valid for 60 days from the Date of Proposal or until the Effective Date (whichever is earlier) and is solely an estimate of premium, based on the information provided, and all amounts are subject to change. This proposal does not bind or provide actual coverage and is not an offer of insurance. Specific terms of coverage, exclusions, and limitations are contained solely in a completed insurance policy for which a premium has been paid.

This proposal may vary from your original request for coverage. Please review the proposal carefully for any variances. The terms, conditions and premiums included in this proposal contemplate the sale or renewal of all the quoted insurance lines. Electing to buy or renew only some of the lines of coverage may result in changes to the terms, conditions and premiums of the remaining insurance lines.

Liberty Mutual Insurance is the marketing name for the property and casualty insurance operations of Liberty Mutual Insurance Company and its' affiliates. Policies may be written in the following stock insurance company subsidiaries: Peerless Insurance Company, Excelsior Insurance Company, Montgomery Mutual Insurance Company, The Netherlands Insurance Company, Peerless Indemnity Insurance Company, Indiana Insurance Company, Consolidated Insurance Company, Midwestern Indemnity Company, Mid-American Fire and Casualty Company, Merchants & Business Men's Insurance Company. Not all coverages or policies may be available in all states.

TERRORISM INSURANCE PREMIUM DISCLOSURE
AND OPPORTUNITY TO REJECT

This notice contains important information about the Terrorism Risk Insurance Act and your option to reject terrorism insurance coverage. Please read it carefully.

The Terrorism Risk Insurance ACT

The Terrorism Risk Insurance Act, including all amendments ("TRIA" or the "Act"), establishes a program to spread the risk of catastrophic losses from certain acts of terrorism between insurers and the federal government. If an individual insurer's losses from a "certified act of terrorism" exceed a specified deductible amount, the government will reimburse the insurer for 85% of losses paid in excess of the deductible, but only if aggregate industry losses from such an act exceed \$100 million. An insurer that has met its insurer deductible is not liable for any portion of losses in excess of \$100 billion per year. Similarly, the federal government is not liable for any losses covered by the Act that exceed this amount. If aggregate insured losses exceed \$100 billion, losses up to that amount may be pro-rated, as determined by the Secretary of the Treasury.

MANDATORY AVAILABILITY OF COVERAGE FOR "CERTIFIED ACTS OF TERRORISM"

TRIA requires insurers to make coverage available for any loss that occurs within the United States (or outside of the U.S. in the case of U.S. missions and certain air carriers and vessels), results from a "certified act of terrorism" AND that is otherwise covered under your policy.

A "certified act of terrorism" means:

[A]ny act that is certified by the Secretary [of the Treasury], in concurrence with the Secretary of State, and the Attorney General of the United States

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to –

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States, or outside of the United States in the case of –

(I) an air carrier (as defined in section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States); or

(II) the premises of a United States mission; and

(iv) to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

REJECTING TERRORISM INSURANCE COVERAGE - What You Must Do

We have included in your policy coverage for losses resulting from “certified acts of terrorism” as defined above.

THE PREMIUM CHARGE FOR THIS COVERAGE APPEARS ON THE DECLARATIONS PAGE OF THE POLICY AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT. If we are providing you with a quote, the premium charge will also appear on your quote as a separate line item charge.

Note: With respect to Excess or Umbrella policies, this offer of coverage pertains only to those lines of business covered by TRIA and, more specifically, does not apply to commercial automobile insurance. In addition, this offer of TRIA coverage is expressly conditioned upon your acceptance of coverage for “certified acts of terrorism” on all underlying insurance policies that are subject to TRIA. If you reject such coverage on your primary liability policies, you must also reject it on your Excess or Umbrella policy.

IF YOU CHOOSE TO REJECT THIS COVERAGE, PLEASE CHECK THE BOX BELOW, SIGN THE ACKNOWLEDGMENT, AND RETURN IT IN THE ENCLOSED ENVELOPE. **Please ensure any rejection is received within thirty (30) days of the effective date of your policy.**

_____ I hereby reject this offer of coverage. I understand that by rejecting this offer, I will have no coverage for losses arising from a “certified acts of terrorism” and my policy will be endorsed accordingly.

Note that certain states (currently CA, GA, IA, IL, MA, ME, MO, NY, NC, NJ, OR, RI, WA, and WI) mandate coverage for loss caused by fire following a “certified act of terrorism” in certain types of insurance policies. If you reject TRIA coverage in these states on those policies, you will not be charged any additional premium for that state mandated coverage.

Policyholder/Applicant Signature

Date

Print Name

The summary of the Act and the coverage under your policy contained in this notice is necessarily general in nature. Your policy contains specific terms, definitions, exclusions and conditions. In case of any conflict, your policy language will control the resolution of all coverage questions. Please read your policy carefully.

If you have any questions regarding this notice, please contact your agent.

Property Coverage

Specific Coverage	Limits	Deductible	Premium
Blanket Building and Personal Property	\$27,297,677	\$5,000	\$27,964
Coinsurance 100%			
Cause of Loss Form - Special			
Valuation - Replacement Cost - Agreed Amount			
Mine Subsidence			\$410
Earthquake	\$5,000,000	10%	\$4,370
Building & Personal Property			
Equipment Breakdown	Subject to Policy Limits	\$5,000	\$1,048
Inspections - 1-877-526-0020 or LMEBInspections@LibertyMutual.com			
Questions - LMEB@LibertyMutual.com			
Equipment Breakdown Coverage Endorsement - Additional Coverages			
	Limits of Insurance		
Expediting Expenses	\$250,000		
Hazardous Substances	\$250,000		
Perishable Goods	\$250,000		
Computer Equipment	Included		
CFC Refrigerants	Included		
Building Ordinance or Law			
Undamaged Portion	Policy Limit		\$733
Demolition	\$250,000		
Increase Cost of Construction	\$250,000		
School Property Endorsement	17-174 (0108) School Extension Ultra Plus Endorsement		Included
Total Property Premium (Excluding Terrorism Risk Insurance Act)			\$34,525
Terrorism Risk Insurance Act Premium			Rejected

Property Coverage

Specific Coverage	Limits	Deductible	Premium
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Property Coverage Options/Notes

This is intended to provide a summary review of coverage provided by Liberty Mutual Insurance.
This comparison constitutes a brief description only. For full coverage details refer to the policy forms.

17-174 School Extension Ultra Plus Endorsement
 * 17-204 Supplement to School Extension Ultra Plus Endorsement

Coverage Description	Limit of Insurance
Special Crime Provisions	Included
Broadened Premises	Included
Real Property of Others Required by Contract	\$10,000
Electronic Data	\$25,000
Foundations	Included
Debris Removal *	\$1,000,000
Fire Department Service Charge	\$25,000
Pollutant Clean Up and Removal	\$50,000
Classroom Chemical Spills	\$ 10,000 each occurrence
	subject to \$50,000 maximum
Inventory Costs	\$50,000
Changes or Extremes in Temperature or Humidity	\$15,000
Newly Acquired or Constructed Property	180 days
Buildings	\$1,000,000
Business Personal Property	\$1,000,000
Personal Effects and Property of Others	\$50,000
Valuable Papers and Records (Other Than Electronic Data)	\$100,000
Property Off-Premises (Including while in Transit)	\$50,000
Outdoor Property	\$100,000
Accounts Receivable	\$100,000
Arson Reward	\$25,000
Back-up of Sewers or Drains	\$25,000
Extra Expense *	\$5,000,000
Fine Arts	\$25,000
Fire Protective Devices	Included in Building Limit
Glass Showcases	\$10,000
Loss of Refrigeration	\$50,000
Computer Equipment	\$200,000
Laptop/Portable Computers	\$10,000
Lock Replacement	\$1,000
Money and Securities	
Inside the Premises	\$10,000
Outside the Premises	\$10,000
Off-Premises Services Interruption	\$50,000
Business Income	\$100,000
Paved Surfaces	\$100,000
Underground Fiber Optic Cable	Included in Building Limit
Signs (Attached)	Included in Building Limit
Special Deductible Provisions	Included
Replacement Cost – Leased Personal Property	Included
Ordinance or Law *	10% of the Building Limit
	subject to \$5,000,000 maximum.

General Liability Coverage

Specific Coverage	Limits	Deductible	Premium
General Aggregate	\$2,000,000		\$6,029
Products/Completed Operations Aggregate	\$2,000,000		Included
Personal & Advertising Injury	\$1,000,000		Included
Each Occurrence	\$1,000,000		Included
Fire Damage Liability	\$300,000		Included
Medical Payments (Excluding Students)	\$15,000		Included

17-20 School Amendatory Endorsement

Included

Student Medical Expense Limit None Each Student

Sexual Misconduct & Molestation Liability

Each Loss Limit	\$1,000,000	\$1,468
Aggregate	\$1,000,000	
Innocent Party Defense	\$100,000	\$195

School Leaders Errors & Omissions Liability

Retroactive Date	Each Wrongful Act Limit	\$1,000,000	\$2,500	\$2,225
7/1/1995	Aggregate	\$1,000,000		
	Non-Monetary Relief Defense	\$100,000	\$2,500	

Violent Event Response Coverage

Violent Event Limit	\$300,000	\$105
Aggregate Limit	\$300,000	
Each Personal Limit - Loss	\$25,000	
Each Person Limit - Death Benefits	\$15,000	

Total Liability Premium (Excluding Terrorism Risk Insurance Act)

\$10,022

Terrorism Risk Insurance Act Premium

Rejected

Liability Coverage Options/Notes

Additional Insured - Designated Person or Organization in favor of Crossings Ministries is included.

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This comparison constitutes a brief description only. For full coverage details refer to the policy forms.

Crime Coverage

Specific Coverage	Limits	Deductible	Premium
Form O - Blanket Public Employee Dishonesty	\$50,000	\$1,000	\$426
Total Crime Premium			\$426

Crime Coverage Options/Notes

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Inland Marine

Specific Coverage	Limits	Deductible	Premium
Commercial Computer Coverage (CM1001)			
Valuation -	0		
Hardware - Include Mechanical Breakdown	\$500,000	\$500	\$1,500
Software	\$0		
Extra Expense	\$0		
Property in Transit (Hardware/Software)	\$0		
Unnamed Locations (Hardware/Software)	\$0		
Commercial Articles - Musical Instruments			
Valuation - Actual Cash Value	\$20,000	\$250	\$46
Sign Coverage			
Valuation - Actual Cash Value	\$20,000	5%	\$362
Scheduled Property Floater			
Valuation - Actual Cash Value			
Lawn Mower M#STT61V35BAS	\$10,000	\$100	\$65
Total Inland Marine Premium (Excluding Terrorism Risk Insurance Act)			\$1,973
Terrorism Risk Insurance Act Premium			Rejected

Inland Marine Coverage Options/Notes

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This is intended to provide a summary review of coverage provided by Liberty Mutual Insurance.
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Automobile Coverage

Specific Coverage	Limits	Deductible	Premium
Auto Liability Combined Single Limit	\$2,000,000		\$9,595
Non-Owned Liability	\$2,000,000		\$141
Hired Liability	\$2,000,000		\$40
Cost of Hire	If Any		
Personal Injury Protection	\$20,000	NIL	\$977
Uninsured Motorists	\$500,000		\$1,147
Underinsured Motorists	\$500,000		\$2,651
Comprehensive		\$1,000	\$764
Collision		\$1,000	\$2,141
Auto Extension Endorsement	16-67 (0108)		\$300
	Per Event Deductible	\$4,000	
Replacement Cost for Buses			\$375
	16-98 Replacement Cost for Buses		
	10 Model Years Old or Less		
	Comprehensive	\$1,000	
	Collision	\$1,000	
Total Number of Insured Units - 16			
	Total Automobile Premium		\$18,131

Automobile Coverage Options/Notes

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Umbrella Coverage

Limit of Liability - Each Occurrence	\$1,000,000
Limit of Liability - Aggregate	\$1,000,000
Self Insured Retention	\$10,000

General Liability	Included
Employee Benefits	Excluded
Sexual Misconduct & Molestation	Included
School Leaders Errors & Omissions	Included
Auto Liability	Included
Uninsured/Underinsured Motorists	Excluded
Employers Liability	Included
Data Compromise	Included

Total Umbrella Premium (Excluding Terrorism Risk Insurance Act)	\$2,646
Terrorism Risk Insurance Act Premium	Rejected

Umbrella Coverage Options/Notes

This is intended to provide a summary review of coverage provided by Liberty Mutual Insurance.
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Proposal Premium Summary

Property Coverage	\$34,525
General Liability Coverage	\$10,022
Crime Coverage	\$426
Inland Marine Coverage	\$1,973
Automobile Coverage	\$18,131
Umbrella Coverage	\$2,646

Coverage Total (Excluding Terrorism Risk Insurance Act) **\$67,723**

Terrorism Risk Insurance Act	Premium
Property Coverage	Rejected
General Liability Coverage	Rejected
Crime Coverage	Not Applicable
Inland Marine Coverage	Rejected
Automobile Coverage	Not Applicable
Umbrella Coverage	Rejected

Terrorism Risk Insurance Act Total **\$0**

Account Grand Total **\$67,723**

This Premium Summary page does not include any of the optional premiums and/or coverages that may have been provided on the various coverage pages.

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Proposal Conditions

Quote is contingent of the following conditions/subjectivities

1. Updated Acord Application for all lines of coverage. Acord Crime 2000 required for crime.
2. Signed Statement of Values with values per 2015 KDE requirements.
3. Updated and Signed School Supplemental Application.
4. Annual School Questionnaire
5. Complete and updated Drivers List to include all employees who regularly drive their own personal autos on school business.
6. Is day care truly a day care or is this a pre-school with a pre-school curriculum. If truly a day care, we will need the Day Care Supplemental Application completed. If this is a pre-school, the day care supplement is not required.
7. Subject to acceptable loss control survey. We will need name and telephone number of person at the school district to contact to set up an appointment.
8. Confirmation that use of gym will be supervised by an authorized employee of the school district.

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