



Higgins

INSURANCE

May 15, 2019

Mr. Leonard Whalen, Superintendent
Dawson Springs Independent Schools
118 E. Arcadia Avenue
Dawson Springs, KY 42406

RE: Property/Liability/Bus Fleet/Umbrella/Workers Comp Renewals

Mr. Whalen,

Enclosed please find the July 1, 2019 to July 1, 2020 renewal proposals provided by Liberty Mutual Insurance Company. The worker's compensation is with Kentucky Employers Mutual Insurance Company (KEMI). Below is a premium comparison vs. last year:

	<u>2018-2019</u>	<u>2019-2020</u>
Property/Liability	\$38,177	\$39,023
Commercial Auto/Bus Fleet	22,009	22,955
\$1M Umbrella Liability	<u>1,500</u>	<u>1,612</u>
	\$61,686	\$63,590

Please note the umbrella policy extends additional limits of liability coverage over the General Liability, Employee Benefits Liability, Auto Liability, Employers Liability, School Leaders Errors & Omissions (Board Liability), and Sexual Misconduct Liability.

Liberty Mutual has refreshed many of their coverage forms and the renewal policy will include coverage for all board approved Booster Clubs, student and parent groups. The policy also includes Violent Event Response Coverage with a \$300,000 limit.

As we previously discussed, the workers compensation renewal is up from \$15,791 up to \$22,007 due to an increase in the school district's experience modification. KEMI's rates have been lowered this year and their proposal keeps a 35% discount in place for Dawson Springs Schools.

I'm available to meet with you or the Board of Education to review the enclosed proposal.

Sincerely,

Malcolm Blane

4057 Lafayette Road
P.O. Box 552
Hopkinsville, KY 42241

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Commercial Insurance Proposal

Prepared For:

Dawson Springs Board of Education

Presented By:

Higgins Insurance Inc

Date of Proposal:

May 14, 2019

Version 1

Policy Period

Effective Date:

July 1, 2019

Expiration Date:

July 1, 2020

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 "certified acts of terrorism" exceed a specified deductible amount, the government will reimburse the insurer for a percentage of losses (the "Federal Share") paid in excess of the deductible, but only if aggregate industry losses from such acts exceed the "Program Trigger". 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.

The Federal Share and Program Trigger by calendar year are:

Calendar Year	Federal Share	Program Trigger
2015	85%	\$100,000,000
2016	84%	\$120,000,000
2017	83%	\$140,000,000
2018	82%	\$160,000,000
2019	81%	\$180,000,000
2020	80%	\$200,000,000

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 consultation with the Secretary of Homeland Security, 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, ME, MO, NY, NC, NJ, OR, RI, WA, WI, and WV) 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.

Commercial Property Proposal

Coverage Description	Limits	Deductible	Premium
Blanket Building and Personal Property			
Coinurance 100%	\$27,905,284	\$5,000	\$26,521
Cause of Loss Form - Special			
Valuation - Replacement Cost - Agreed Amount			
Mine Subsidence			
			Included
Earthquake - Excluding Masonry Veneer			
Building and Personal Property	\$5,000,000	10%	Included
Equipment Breakdown			
	Subject to Policy Limits	\$5,000	Included
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		
Questions - LMEB@LibertyMutual.com			
Inspections - 1-877-526-0020 or LMEBInspections@LibertyMutual.com			
School Property Endorsement			
	17-174 (0108) School Extension Ultra Plus Endorsement		Included
Total Property Premium (Excluding Certified Acts of Terrorism Coverage)			\$26,521
Certified Acts of Terrorism Coverage Premium			\$0

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.

SCHOOL EXTENSION ULTRA PLUS ENDORSMENT 17-174 INCLUDES:*** 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.

Commercial General Liability Proposal

Coverage Description	Limits	Deductible	Premium
General Aggregate	\$2,000,000		\$10,782
Products/Completed Operations Aggregate	\$2,000,000		Included
Personal & Advertising Injury	\$1,000,000		Included
Each Occurrence	\$1,000,000		Included
Fire Damage Liability	\$500,000		Included
Medical Payments (Excluding Students)	\$15,000		Included

17-20 School Amendatory Endorsement

Student Medical Expense Limit	If Any	Each Student	Included
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Employee Benefits Liability

Retroactive Date	Each Employee	\$1,000,000	\$1,000	Included
7/1/2016	Aggregate	\$3,000,000		

Sexual Misconduct & Molestation Liability

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

School Leaders Errors & Omissions Liability

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

Violent Event Response Coverage

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

Total Liability Premium (Excluding Certified Acts of Terrorism Coverage)	\$10,782
Certified Acts of Terrorism Coverage Premium	\$0

Commercial General Liability Proposal

Liability Coverage Options/Notes

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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.

Commercial Crime Proposal

Coverage Description	Limits	Deductible	Premium
Form O - Blanket Public Employee Dishonesty	\$100,000	\$1,000	\$372
Total Crime Premium			\$372

Crime 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.

Commercial Inland Marine Proposal

Coverage Description	Limits	Deductible	Premium
Commercial Computer Coverage (CM1001)			
Valuation - Replacement Cost			
Hardware - Include Mechanical Breakdown	\$500,000	\$500	\$1,348
Software	Included		
Extra Expense	\$5,000		
Property in Transit (Hardware/Software)	\$100,000 / \$10,000		
Unnamed Locations (Hardware/Software)	\$100,000 / \$10,000		
Commercial Articles - Musical Instruments			
Valuation - Replacement Cost	\$20,000	\$250	Included
Sign Coverage			
Valuation - Replacement Cost	\$20,000	5%	Included
Scheduled Property Floater			
Valuation - Actual Cash Value			
Lawn Mower	\$10,000	\$100	Included
1m 7500 John Deere Gator #4369	\$3,500	\$100	Included
Total Inland Marine Premium (Excluding Certified Acts of Terrorism Coverage)			\$1,348
Certified Acts of Terrorism Coverage Premium			\$0

Inland Marine 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.

Commercial Automobile Proposal

Coverage Description	Limits	Deductible	Premium
Auto Liability Combined Single Limit	\$2,000,000		\$22,955
Non-Owned Liability	\$2,000,000		Included
Hired Liability	\$2,000,000		Included
Cost of Hire	If Any		
Personal Injury Protection	\$20,000		Included
Uninsured Motorists	\$500,000		Included
Underinsured Motorists	\$500,000		Included
Comprehensive		\$1,000	Included
Collision		\$1,000	Included
Auto Extension Endorsement	16-67 (0108)		Included
	Per Event Deductible	\$4,000	
Replacement Cost for Buses			Included
	16-98 Replacement Cost for Buses		
	10 Model Years Old or Less		
	Comprehensive	\$1,000	
	Collision	\$1,000	
Total Number of Insured Units - 15			
	Total Automobile Premium		\$22,955

Automobile 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.

Commercial Umbrella Proposal

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	Included
Auto Liability	Included
Uninsured/Underinsured Motorists	Excluded
Employers Liability	Included
School Leaders Errors & Omissions	Included
Sexual Misconduct & Molestation	Included

Total Umbrella Premium (Excluding Certified Acts of Terrorism Coverage)	\$1,612
Certified Acts of Terrorism Coverage Premium	\$0

Umbrella 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.

Commercial Insurance Proposal Premium Recap

Lines of Coverage	Premium
Property	\$26,521
General Liability	\$10,782
Crime	\$372
Inland Marine	\$1,348
Automobile	\$22,955
Umbrella	\$1,612

Premium Total (Excluding Certified Acts of Terrorism Coverage) **\$63,590**

Certified Acts of Terrorism Coverage	Premium
Property (ST-ML-505)	\$0
General Liability (ST-ML-505)	\$0
Crime	Not Applicable
Inland Marine (ST-ML-505)	\$0
Automobile	Not Applicable
Umbrella (ST-ML-505)	\$0

Certified Acts of Terrorism Premium Total **\$0**

Account Grand Total \$63,590

If TRIA is to be rejected, have the Annual TRIA rejection form marked and signed (see pages 2-4 of this proposal). Please forward the signed form (page 4) with the "I hereby reject this offer" TRIA line marked along with your issuing instructions to avoid the TRIA premium being included on the issued policy.

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.

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.

Proposal Conditions

Quote is contingent of the following conditions/subjectivities

If TRIA is to be rejected, have the Annual TRIA rejection form marked and signed (see pages 2-4 of this proposal). Please forward the signed form (page 4) with the "I hereby reject this offer" TRIA line marked along with your issuing instructions to avoid the TRIA premium being included on the issued policy.

See the attached email that shows the 2019 Contingencies.

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.

Quote for Workers Compensation Coverage
392446-- 07/01/2019-07/01/2020

7380-000	Drivers Chauffeurs & Their Helpers NOC - Commercial
8868-000	College: Professional Employees & Clerical
9101-000	College: All Other Employees

19-20

CLASS RATING AND MANUAL PREMIUM DETAIL	EXPOSURE	RATE	PREMIUM
Dawson Springs Independent School District			
07/01/2019 - 07/01/2020			
9101-000	268,492	4.35	\$11,679.00
8868-000	3,526,095	.46	\$16,220.00
7380-000	57,698	5.23	\$3,018.00

PREMIUM CALCULATION DETAIL	TYPE	FACTOR	AMOUNT
07/01/2019 - 07/01/2020	Total Manual Premium		\$30,917.00
	Employers Liability Limits	.008	\$247.00
	Total Subject Premium		\$31,164.00
	Experience Modification Premium	1.080	\$2,493.00
	Total Modified Premium		\$33,657.00
	Schedule Rating Premium	.650	-\$11,780.00
Final Estimate	Total Standard Premium		\$21,877.00
	Premium Discount		-\$1,840.00
	Expense Constant		\$260.00
	Terrorism Charge		\$385.00
	Estimated Annual Premium		\$20,682.00
	Kentucky Special Fund Assessment		\$1,325.72
	Total Amount Due		\$22,007.72

TOTAL ESTIMATED ANNUAL POLICY PREMIUM **\$22,007.72**

Payment Plan Eligibility: Annual Plan

Required Initial Installment Premium:

BILLING SCHEDULE BILL DATE	BILLING SCHEDULE BILL AMOUNT
05/27/2019	\$22,007.72

This renewal quotation is based on the information provided by the expiring policy. Any changes in this information unknown at the time of this quotation could change the policy premium. Notify KEMI immediately of any and all changes. If not paid by the renewal date, coverage will expire.

April 2, 2019

Dawson Springs Independent School District
118 E Arcadia Av
Dawson Springs, KY 42408

Kentucky Employers Mutual Insurance
250 W Main Street, Suite 900
Lexington, KY 40507
www.kemi.com
859-425-7800 / 800-640-5364

Quote Date: April 2, 2019

Prospective Insured:	Legal Entity:	School Board
Name: Dawson Springs Independent School District	FEIN:	616001400
Address: 118 E Arcadia Av		
City: Dawson Springs, KY 42408		

Agency:	Higgins Insurance Inc
Agent Number:	464
Address:	PO Box 552
City:	Hopkinsville, KY 42241
Phone:	(270)886-3939<>

Renewal Quote for Workers Compensation Coverage 392446-07/01/2019-07/01/2020

Proposed Effective Date: 07/01/2019 Proposed Expiration Date: 07/01/2020

Employer's Liability Limits: (3.B)	Bodily Injury by Accident	\$500,000 each accident
	Bodily Injury by Disease	\$500,000 policy limit
	Bodily Injury by Disease	\$500,000 each employee