

Commercial Insurance Proposal

Prepared for:

Account Number: 67653731

MERCER COUNTY SCHOOL DISTRICT

Presented by:

WHITENACK AND SOUDER INS INC

Date of Proposal:

04/16/2024

Policy Period:

Effective Date: 04/24/2024

Expiration Date: 04/24/2025

Quote Numbers Included

Inland Marine:

67653731BMO1Q1

Underwriting Company:

The Ohio Casualty Insurance Company¹

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.

¹ 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: The Ohio Casualty Insurance Company, Ohio Security Insurance Company, American Fire & Casualty Company, and West American Insurance Company. Not all coverages or policies may be available in all states.

Commercial Insurance Proposal: Payment Plan Options

STANDARD DIRECT BILL OPTIONS:

Overview

We offer a broad range of standard Direct Bill payment plans to meet your needs and help you save time and money when paying your premiums. Self-service capabilities are available, 24/7, when you create an online direct bill account. You will have easy access to your claims information, policy documents, premium audit forms, risk control information and billing account, where you may enroll in automatic payments, make on-demand payments, sign up for paperless billing, view/print copies of your electronic notices, and more.

All billing plans may not be available to all customers based on state or account differences.

Automatic Payments may be enrolled in at any time. By agreeing to the paperless delivery of billing notices, you can enjoy the following benefits:

Save money:

- Save on installment fees by enrolling in EFT automatic payments. Savings vary by state.
- Avoid late fees with automatic payments processed at the same time, every month

Save time:

- Pay your premium all at once or in 12 equal installments
- Receive email notifications of automatic payment amounts for the scheduled payment dates
- Payments appear on your checking/card account statements for easy tracking

Simply have your agent enroll you at policy issuance or enroll anytime at mybusinessonline@libertymutual.com.

Automatic Payments using EFT (from checking account)

Annual	100% down
Monthly	1-2 months down, equal monthly installments

Automatic Payments using Credit/Debit Card (for accounts with total annual premium <\$25,000)

Annual	100% down
Monthly	1-2 months down, equal monthly installments

Non-Automatic Payment Plans

Annual	100% down, no service fee
Monthly	1-2 months down, equal monthly installments

Variable service fees, by state, apply to the monthly Credit/Debit Card plan and the quarterly and monthly non-automatic plans.

Questions about payment options? Contact billing at 1-844-961-0334.

YOUR WAY PAY™ DIRECT BILL OPTION (Select lines of business only)¹:

Overview

Our pay-as-you-go option, powered by SmartPay™, allows you take control of your cash by providing you the ability to link your business activity to your premium payments. It is easy and convenient and offers these benefits for your pay-as-you-go business:

- Improved cash flow
- No down payment
- Real-time premium calculations based on actual data reported
- Automatic withdrawals of premium payments
- Reduction in audit exposure due to immediate premium calculations

Your Way Pay Plan	Payments
Report risk exposures as scheduled by policy type (e.g. for a WC policy, payroll is reported on payroll dates).	Withdrawal from your bank account is initiated automatically for the payment of premium

¹Not available for any risks in HI or Workers Compensation risks in ND, OH, WA, or WY.

AGENCY BILL OPTIONS:

Overview

We offer Agency Bill payment plans for specific-type policies or multi-line accounts where Direct Bill may not be the best option. Since the agent will bill and service these policies, there is no online account access or self-service capabilities available.

Agency Bill Payment Plans only (Required for Premium Finance policies; for accounts with total annual premium >\$25,000)	
Annual	100% down
Quarterly	30% down, 3 equal installments at 90 day intervals
Monthly	30% down, 9 equal installments at monthly intervals
Monthly for TX auto policies only	12 equal monthly installments

Questions about payment options? Contact billing at 1-844-961-0334.

Commercial Insurance Proposal: Premium Recap

Inland Marine Coverage	
Builders Risk Premium - 150 Industry Rd, Harrodsburg, KY 40330	\$39,327.00
Total Inland Marine Risk Premium	\$39,327.00
Certified Acts of Terrorism Coverage ²	\$472.00
Total Inland Marine Premium	\$39,799.00
Minimum Earned Premium	\$450.00

In the event of cancellation by the Named Insured, the company shall retain no less than \$450.00 of the policy premium as the Minimum Earned Premium including Certified Acts of Terrorism coverage, plus any applicable taxes and surcharges.

Account acceptability and final premium are subject to underwriting review and approval.

Pro-Rata Cancellation subject to Minimum Earned Premium.

²NP 72 42 Terrorism Insurance Premium Disclosure and Opportunity to Reject:

This quote includes coverage for Certified Acts of Terrorism (as defined in the Terrorism Risk Insurance Act ("TRIA")) for the lines of business referenced above with a premium charge. You may elect to reject this coverage for any Commercial Property, General Liability, Inland Marine, Commercial Protector (BOP), or Umbrella for losses resulting from a "certified act of terrorism" according to the instructions included within this document. Should you elect to reject this coverage, we will process an endorsement to your policy upon receipt of the signed rejection form.

Note this disclosure notice and rejection option does not apply to Workers Compensation, Crime, Professional Liability or Commercial auto coverage, if included in this quote. Please refer to the enclosed notice for additional information regarding this act, its effect regarding your policy coverage, and its impact on your premium.

Additional Note: The Certified Acts of Terrorism Coverage does not apply for any Commercial Auto, burglary and theft (i.e. Commercial Crime), or professional liability coverages quoted and a premium charge has not been included for these lines of business.

Commercial Inland Marine Proposal

LOCATION NUMBER: 0001

ADDRESS: 150 Industry Rd, Harrodsburg, KY 40330

Commercial Lines Builders Risk Coverage	Limit of Insurance
Customer Name: MERCER COUNTY SCHOOL DISTRICT	
Jobsite Location: 150 Industry Rd, Harrodsburg, KY 40330	
Construction Type: Non-Combustible	
Description of Project: "Construction of a new elementary building and adjoining storm shelter"	
Number of Stories: 1	
Total Square Feet: 72,182	
Nature of Construction: New Construction	
Coverage Form: Scheduled Jobsite Broad Form IM7050	
Total Completed Value	\$36,373,903
Deductible	\$25,000
Coinsurance	100%

The limits for the individual coverages listed below do not apply at each location, but apply on a per occurrence basis to all locations shown on this proposal unless otherwise stated.

Coverage Extensions	Limit of Insurance
Debris Removal	\$5,000
Emergency Removal	10 days
Emergency Removal Expense Limit	\$10,000
Fraud and Deceit	\$50,000
Limited Fungus Coverages Limit	\$15,000
Waterborne Property	\$10,000

Supplemental Coverage	Limit of Insurance
Contract Penalty Limit	\$10,000
Expediting Expenses Limit	\$10,000
Fire Department Service Charges Limit	\$1,000
Personal Property Limit	\$10,000
Ordinance or Law (Undamaged Parts of Bldg)	Covered
Ordinance or Law (Increased Cost to Repair & Cost to Demolish/Clear Site)	\$50,000
Pollutant Cleanup and Removal Limit	\$25,000
Rewards Coverage Limit	\$1,000
Storage Locations Coverage Limit	\$10,000
Testing Coverage Limit	\$10,000
Transit Coverage Limit	\$10,000
Trees, Shrub and Plant Coverage Limit	\$10,000
Earthquake Coverage Limit	Coverage Excluded
Flood Coverage Limit	Coverage Excluded
Sewer Backup Coverage Limit	\$10,000

Additional Coverage	Limit of Insurance
Permission to Occupy	Not Granted

The below endorsement modifies insurance and provides limits in excess of the basic limits included in the Coverage Extensions and Supplemental Coverage sections of the Builders Risk Coverage Form, unless otherwise stated.

Applicable to all locations

Builders' Risk Extension Plus Endorsement Form CM 88 94 03 19 INCLUDES:

Coverage Description	Limit of Insurance
Additional Limit - Debris Removal	\$250,000
Emergency Removal – Time Limit	30 Days
Emergency Removal Expenses	\$50,000
Limited Fungus Coverage	\$100,000
Waterborne Property	\$100,000
Contract Penalty	\$50,000
Expediting Expenses	\$250,000
Re-Erection Of Scaffolding, Forms, And Falsework	\$50,000
Fire Department Service Charges	\$50,000
Ordinance Or Law, Increased Cost to Repair and Cost to Demolish/Clear Site	
Building Is Repaired Or Replaced	\$500,000
Building Is Not Repaired Or Replaced	\$500,000
Personal Property	\$50,000
Pollutant Cleanup And Removal	\$100,000
Rewards	\$25,000
Sewer Backup	\$50,000
Storage Locations	\$500,000
Testing	\$100,000
Transit	\$500,000
Trees, Shrubs, And Plants	
At A Covered Jobsite	\$100,000
Away From A Covered Jobsite	\$10,000
Blueprints And Construction Documents	\$50,000
Inflation Increase	5%
Contract Change Order	5%
Claim Preparation Expense	\$50,000
Construction Trailers And Contents	\$250,000
Equipment Breakdown	\$100,000
Fire Protective Equipment Recharge	\$25,000
Green Building Construction Costs	\$50,000
Blanket Additional Loss Payees, Additional Insureds And/Or Mortgagees	Included
Interests Of Subcontractors, Sub-Subcontractors And Suppliers	Included
Soft Costs And Rental Income – Added Expenses	\$100,000
Delay In Completion - Extra Expense	\$100,000

This Quote is based on the following forms, which apply at the time of quote and may differ on policy issuance:

- CL01000399 - Common Policy Conditions
- CL01560513 - Kentucky Amendatory Endorsement
- CL06000115 - Certified Terrorism Loss
- CL07001006 - Virus or Bacteria Exclusion
- CL16500606 - Cond Nuclear, Biological, and Chem Terrorism Excl
- CM70020101 - Protective Safeguards - Additional Perils
- CM88940319 - Builders' Risk Extension Plus Endorsement
- CM89650821 - Cyber Incident Exclusion
- CNI90110718 - Reporting A Commercial Claim 24 Hours A Day
- IL88531120 - Actual Cash Value
- IM20350404 - Amendatory Endorsement - Kentucky
- IM70500404 - Builders' Risk Coverage-Scheduled Jobsite Broad
- NP72420220 - NP-Terrorism Ins Prem Disclosure and Opp to Reject
- NP74440906 - NP - Treasury Dept OFAC Notice to Policyholders
- NP74780212 - NP - Disclosure KY Local Government Premium Tax
- SNI04010123 - NP - Liberty Mutual Group California Privacy Notice

CM70020101 - Protective Safeguards - Additional Perils

PLEASE READ THIS CAREFULLY. This endorsement modifies insurance provided under the following: IM 7050 - Builders' Risk Coverage - Scheduled Jobsite Form - Broad Form

PROTECTIVE SAFEGUARDS ENDORSEMENT

ADDITIONAL CONDITIONS

As a condition of your coverages identified below, "You" are required to maintain, at all times during the policy period, the protective devices and services described on the Protective Devices Schedule.

ADDITIONAL PERILS EXCLUDED

As respects to the safeguards specified in the protective devices schedule, the following exclusion checked below is added to Perils Excluded:

"We" do not pay for any loss.

"We" do not pay for loss caused by fire or theft.

"We" do not pay for loss or damage caused by water, whatever the source and whether or not driven by wind, other than loss or damage caused by or resulting from "flood".

If prior to the loss, "you":

1. had any knowledge of any suspension or impairment in any protective device or service described on the Protective Devices Schedule and did not notify "us"; or
2. failed to maintain in complete working order, any protective device or service described on the Protective Devices Schedule which "you" control.

PROTECTIVE DEVICES SCHEDULE

Please check all that apply:

Fenced, fully enclosing job site with a chain link fence (or similar like alternative) at a minimum of at least six feet in height and the gates locked during nonwork/non-operational hours.

Hot Work Operations shall meet the following requirements:

(1) All combustible materials within thirty-five (35) feet of the Hot Work Operations must be relocated or shielded by non-combustible coverings such as welding blankets.

(2) No Hot Work Operations shall be performed within thirty-five (35) feet of walls or ceilings of combustible construction unless protected by non-combustible coverings such as welding blankets.

(3) If the area in which Hot Work Operations are being performed is under operative sprinkler protection, the sprinklers in that area must be operative during welding or cutting operations.

(4) Fire extinguishers or a hand hose must be located at the area where Hot Work Operations are being performed. A designated person must be included in the welding or cutting team whose sole responsibility is to watch for sparks and promptly use the fire extinguishing equipment.

(5) After Hot Work Operations are completed, a designated person with immediate access to fire extinguishing equipment must maintain a continuous fire watch for a minimum of thirty minutes followed by a site inspection thirty minutes later.

The insured shall install and employ a water flow alarm on all active water lines. The insured shall exercise due diligence in maintaining the water flow alarm in good working order.

Video Surveillance monitoring that is: (1) Around the perimeter and interior of the building or structure; and (2) Supervised by an independent security service at all times during which normal operations usual to the conduct of your business are not being performed.

There will be an operating fire hydrant operating under adequate water pressure within 100 feet of the premises, within days after policy inception.

Proper lighting around the entrances of the building, jobsite, or structure, including fence gates

Private Watchperson, that you employ for duty to guard the job site during non-work hours making at least hourly rounds.

Other: The Insured must post water valve maps throughout project/jobsite and review with sub-contractors prior to work beginning. The Insured must also maintain water cleanup/mitigation kits on the project/jobsite.

All other terms and conditions of the policy remain unchanged.

STATE FRAUD NOTICES

The following must be provided to the applicant either by use of this proposal, by reproduction in a proposal by the Producer, or by use of a current ACORD application or its equivalent.

Applicable in CA

For your protection California law requires the following to appear on this form: Any person who knowingly presents false or fraudulent information to obtain or amend insurance coverage or to make a claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

Applicable in AL, AR, DC, LA, MD, NM, RI and WV

Any person who knowingly (or willfully)¹ presents a false or fraudulent claim for payment of a loss or benefit or knowingly (or willfully)¹ presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison. ¹Applies in MD Only.

Applicable in CO

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable in FL and OK

Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony (of the third degree)². ²Applies in FL Only.

Applicable in KS

Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

Applicable in KY, NY, OH and PA

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties (not to exceed five thousand dollars and the stated value of the claim for each such violation)³. ³Applies in NY Only.

Applicable in ME, TN, VA and WA

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties (may)⁴ include imprisonment, fines and denial of insurance benefits. ⁴Applies in ME Only.

Applicable in NJ

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

Applicable in OR

Any person who knowingly and with intent to defraud or solicit another to defraud the insurer by submitting an application containing a false statement as to any material fact may be violating state law.

Applicable in PR

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

**TERRORISM INSURANCE PREMIUM DISCLOSURE
AND OPPORTUNITY TO REJECT**

This notice contains important information about the Terrorism Risk Insurance Act and its effect on your policy. 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 generally 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 calendar 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.

Beginning in calendar year 2020, the Federal Share is 80% and the Program Trigger is \$200,000,000.

MANDATORY OFFER OF COVERAGE FOR "CERTIFIED ACTS OF TERRORISM" AND DISCLOSURE OF PREMIUM

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.

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

Before making a decision to reject terrorism insurance, refer to the Disclaimer for Standard Fire Policy States located at the end of this Notice.

- 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.

Policyholder/Applicant's Signature

Print Name

Date Signed

Named Insured
MERCER COUNTY SCHOOL DISTRICT

Policy Number
BMO(25)67653731

Policy Effective/Expiration Date
04-24-2024/04-24-2025

IF YOU REJECTED THIS COVERAGE, PLEASE RETURN THIS FORM TO YOUR AGENT.

NOTE: 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.

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.

This proposal has been acknowledged and accepted by:

Agent signature

Date

Insured signature

Date