

Klosterman, Kim (Newport Supt. Secretary)

Subject: FW: Insurance Renewal Presentation Information
Attachments: Newport Independent 2024 Marketing Results.pdf; 2024 Bluegrass Renewal Proposal - Newport Independent.pdf

From: Steve Crawford <Steve.Crawford@assuredpartners.com>
Sent: Monday, June 3, 2024 3:43 PM
To: Watts, Tony (Newport Independent Schools Superintendent) <tony.watts@newport.kyschools.us>; Hoover, Jennifer (Director of Finance) <jennifer.hoover@newport.kyschools.us>
Cc: Karen McIntosh <Karen.McIntosh@assuredpartners.com>
Subject: Insurance Renewal Information

[This message originated outside the Newport Independent School District]
Good afternoon, Jennifer, and Tony!

Please see attached. We have completed our market work for the insurance renewal. As you may recall, this is an internal document that we use to help us track the market results and make the best recommendation for your coverage and cost.

There is a lot to unpack in this document, so let me review a couple highlights:

- Liberty Mutual has taken a significant pricing increase. In addition, they have made dramatic changes in the conditions in their policy. We have discussed and reviewed those changes with you over the past several months.
- Due to the current state of the market, property deductibles for wind and hail claims have been increased to \$100,000 per occurrence/per location. You will see on the spreadsheet an option to "buy-down" that deductible to \$25,000. As a result of this coverage change, we are encouraging you to review your statement of values and consolidate any locations that have common boundaries.
- You will also see on the spreadsheet an option for "active shooter" coverage. While we already provide some coverage for your District, this is an alternative to broaden that coverage.
- We marketed your coverages to all known Kentucky School insurance carriers, who have an appetite to work with public schools. The only other carriers, besides Liberty Mutual, writing public schools in Kentucky are Wright Specialty and CM Regent. Both of those carriers are not looking to entertain any new school clients and will be cutting their writings in Kentucky in the coming year. That leaves Liberty Mutual (your current carrier), as the only carrier actively writing in Kentucky. They also, are looking to reduce their writings in Kentucky.
- AssuredPartners, with our partners at Keenan, through our wholly owned subsidiary, Accretive have been working for the 18 months or so, to develop an alternative option for our school clients. On Thursday May 16th, we got word that the Kentucky Department of insurance approved Bluegrass Risk Management, a fully insured pooling program. Attached is full proposal for that alternative for your consideration. Note in red are the coverage enhancements over those provided by Liberty Mutual. I have discussed the alternative concept with your Board Attorney, Brandon Voelker. He is on board with the idea, should you all decide to move in that direction.

- For context, all the comments above not relevant to your workers compensation, cyber or student accident coverage. Only to what we refer to as your "package" coverages.
- Switching gears to your workers compensation coverage, the EMOD went up from .77 to .78. Still a great EMOD. With decreased payrolls, we can deliver a reduction in premium of \$2,000. Your safety efforts continue to allow us to keep this cost as low as possible. As always, let us know how our loss control and safety team can help. We are available to meet and discuss ideas with your safety team.

The insurance marketplace is the most tumultuous we have ever experienced. Property Insurance costs continue to rise due to all the storms and strange weather patterns. There is also continued pressure on the liability rates, as jury verdicts set new records. As you know, school boards are under attack with all sorts of litigation.

Please review the attached worksheet and the proposal for an alternative to Liberty Mutual. Again, a lot here to unpack. I look forward to meeting and reviewing with you. Our mission is to bring the best solutions to you that the market has to offer.

I will plan to be at the Board meeting on Wednesday night. Happy to meet or get on a zoom with you and any members of your team to provide additional information and discussion, prior to the meeting if you would like.

Thanks,

Steve

Steven A. Crawford, CIC, CPCU, MBA

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