



CHANGES IN 2024-25 LIBERTY MUTUAL RENEWAL

- Removed per event deductible from auto policy.
- Increased comp/collision deductible to \$2,500
- Replacement cost coverage for busses amended from 10yr to 5yr.
- \$100,000 wind/hail deductible per location
- 10% deductible for flood/earthquake subject to \$100,000 min from \$50,000 min.
- Water damage deductible of \$50,000 per location
- Adding ACV roof endorsements on roofs considered in disrepair.
- Adding cosmetic roof endorsement on any metal roof
- SLEO defense erodes deductible-paid losses/defense expenses/legal fees will contribute to the deductible.



Paintsville Independent School District
220 Main Street
Paintsville, KY 41240

To Whom It May Concern,

Within this correspondence, you will find information about insurance market conditions and factors affecting insurance renewals. As we have all learned towards the end of 2023, the insurance marketplace has been in turmoil, especially for the Commonwealth of Kentucky.

Automobile:

- Abundance of new drivers
- Inflationary costs for vehicle repairs
- Inflationary costs for liability awards to claimants
- Inflationary costs for medical/injury claims

Liability:

- Nuclear verdicts: median settlements of top 50 verdicts has doubled over the past 4 years.
- Losses are being adjudicated at a higher cost than 5 years ago
- Molestation/Abuse claims have increased approximately 80% since returning full time after the pandemic.
- Claimants have until 10 years from turning 18 years old to file suit:
<https://apps.legislature.ky.gov/law/statutes/statute.aspx?id=50743>
- In 2019, Kentucky held the 5th highest rate of child mistreatment in the nation.

Property:

- Primary Insurers and Reinsurers have been decimated by weather related claims the past 4 years: flood, tornado, straight line wind, polar freeze.
- Annual average global losses:
 - 2012-2017- \$48 billion
 - 2017-2022- \$110 billion
 - 2022 alone: \$135 billion
 - 2023 expected \$115 billion
- Property replacement costs increase 50-60% over 4 years

Average annual number of tornadoes 2003-2022 is 1284
Nearly 1450 tornadoes in 2023
2024 YTD is nearly 900 tornadoes, second highest since 2011
May 2024 topped out with nearly 500 tornadoes alone

These weather trends and liability trends, along with inflationary pressure, have led to larger premiums for carriers across all industries. In Kentucky, the markets who currently write school insurance, their combined ratios range from 110% to 128%. This means for every \$1.00 in premium that is paid, the insurance company is paying from \$1.10 to \$1.28 in claims.

Currently, we have the experience of only one school insurance carrier writing new business currently in Kentucky. EMC is not writing new business. WSI is being extremely selective if an account has losses.

Another example of increased premiums is the Commonwealth of Kentucky property renewal. This includes all the property of Kentucky and Universities. The premium increase on their renewal was over 140%.

In other parts of Kentucky, school property insurance is being non-renewed and there are a handful of accounts being non-renewed entirely. I personally hope this marketplace is leveling out. There are measures we are working on to bring in additional competition to help steady premiums going forward. If the weather losses and liability claim awards continue at high payouts, the future can look bleak.

Please reach out with any questions you may have for me.

David Livingston
Houchens Insurance Group
505 Wellington Way
STE 275
Lexington, KY 40503



Paintsville Independent Schools

PREMIUM COMPARISON		
Line of Coverage	2023-2024	2024-2025
	Liberty Mutual \$2,500 Property Deductible	Liberty Mutual \$2,500 Property Deductible \$100,000 Wind/Hail Deductible
Blanket Building and Contents Total Insured Value	\$81,944,205	\$80,895,309
Earthquake Limit	\$100,000	\$100,000
Package Premium	\$107,325	\$138,952
Auto Premium	\$53,081	\$66,890
Umbrella Premium	\$12,516	\$12,649
P & C Total	\$172,922	\$218,491
		Accept Coverage <input type="checkbox"/>
		Decline Coverage <input type="checkbox"/>
Mine Subsidence Premium	\$1,004	Accept Coverage <input type="checkbox"/>
		Decline Coverage <input type="checkbox"/>
TRIA (Terrorism) Premium	\$1,558	Accept Coverage <input type="checkbox"/>
		Decline Coverage <input type="checkbox"/>
Deductible buy down premium (Wind/Hail from \$100,000 to \$25,000)	\$31,500 (does not include taxes or surcharge)	Accept Coverage <input type="checkbox"/>
		Decline Coverage <input type="checkbox"/>
<p>This presentation is designed to give you an overview of the insurance coverages we are offering for your company. It is meant only as a general understanding of your insurance needs and should not be construed as a legal interpretation of the insurance policies that will be written for you. Please refer to your specific insurance contracts for details on coverages, conditions, and exclusions.</p>		

WIND/HAIL DEDUCTIBLE BUYDOWN

Bldg #	Building	Total Insured Value	Limit	Premium	Accept	Decline
1	Paintsville Ind -Record Storage	1,368,606	75,000	3,750		
1	Paintsville Elementary School					
2	Paintsville Elementary Property in Open	30,959,803	75,000	6,000		
1	Paintsville Middle & High School					
2	Maintenance Workshop	37,052,613	75,000	6,000		
1	New Locker Building					
2	Concession Building					
3	Old Locker Building					
4	Property in the Open					
5	Ticket Building					
6	Football/Softball Field Lighting					
7	Football Scoreboard					
8	Football Bleachers	1,293,399	75,000	3,750		
1	Softball Complex Building					
2	Softball Complex Property in Open					
3	Softball Scoreboard					
4	Press Box/restroom facility					
5	Dugouts	711,355	75,000	3,000		
1	Concession Stand					
2	Dugouts					
3	Press Box					
4	Storage					
5	Storage					
6	Storage					
7	Storage					
8	Baseball Field Lighting					
9	Baseball Scoreboard					
10	Restroom Facility	355,555	75,000	3,000		
1	New Board Office (rented space)	9,043,779	75,000	3,000		
1	Indoor Batting Cage	110,200	75,000	3,000		

600,000

31,500



The information above is an offering of deductible buydown insurance for the locations listed. The district can purchase \$75,000 of coverage which will be payable to the district for wind/hail property claims. The district has the opportunity to purchase this on all buildings listed above OR you can choose to purchase this coverage for any of the buildings/locations listed. The premiums are listed for each property separately. Individual location premiums do not contain required KY surcharge or taxes. If purchased by individual location, the taxes and surcharges will be included at binding. This information is offered separately and, if purchased will be in addition to the coverage offered by Liberty Mutual. We ask that this information be considered as proprietary insurance information and not be shared as public records unless purchased by the district.

X

Please Print Authorized Signer's Name

X

Please Print Authorized Signer's Title

X

Authorized Signer's Signature

X

Date

CYBER LIABILITY PREMIUM COMPARISON			
2024-25 CFC Cyber Liability			
<p align="center">Coverage limits:</p> <ul style="list-style-type: none"> • Privacy Regulatory Defense & Penalties Coverage-up to policy limit <ul style="list-style-type: none"> • Cyber Extortion Coverage- up to policy limit • Breach Event Costs Coverage- up to policy limit • System Failure Coverage- up to policy limit <ul style="list-style-type: none"> • Cyber Crime Coverage-250k • Client Fraud Loss Sublimit-50k 			
Policy Limit	2023-24: \$1,000,000	2024-25: \$1,000,000	2024-25: \$2,000,000
Cyber Liability Premium	\$3,835.68	\$3,835.68	\$5,109.00
		Accept Coverage <input type="checkbox"/> Decline Coverage <input type="checkbox"/>	Accept Coverage <input type="checkbox"/> Decline Coverage <input type="checkbox"/>
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X _____
Please Print Authorized Signer's Name

X _____
Please Print Authorized Signer's Title

X _____
Authorized Signer's Signature

X _____
Date

POSSIBLE NON-INSURED COVERAGES		
COVERAGE	QUOTE COVERAGE	DECLINE COVERAGE
Waste Water Treatment	<input type="checkbox"/>	<input type="checkbox"/>
Mold, Fungus, Yeast, Mildew, Microbe or Bacteria	<input type="checkbox"/>	<input type="checkbox"/>
Employee Dishonesty	<input type="checkbox"/>	<input type="checkbox"/>
Computer Fraud	<input type="checkbox"/>	<input type="checkbox"/>
Extortion	<input type="checkbox"/>	<input type="checkbox"/>
ERISA/Fidelity Bond	<input type="checkbox"/>	<input type="checkbox"/>
Forgery or Alterations	<input type="checkbox"/>	<input type="checkbox"/>
Money & Securities	<input type="checkbox"/>	<input type="checkbox"/>
Builders Risk/Installation Floater	<input type="checkbox"/>	<input type="checkbox"/>
Pollution (Premises & Job Site)	<input type="checkbox"/>	<input type="checkbox"/>
Fiduciary Liability	<input type="checkbox"/>	<input type="checkbox"/>
Higher Uninsured/Underinsured Motorist Limits	<input type="checkbox"/>	<input type="checkbox"/>
Hired & Non-Owned Liability	<input type="checkbox"/>	<input type="checkbox"/>
Hired Auto Physical Damage	<input type="checkbox"/>	<input type="checkbox"/>
Garage Liability	<input type="checkbox"/>	<input type="checkbox"/>
Garagekeepers	<input type="checkbox"/>	<input type="checkbox"/>