



Kenton County School District | *It's about ALL kids.*

Issue Paper

DATE:

05/20/2026

AGENDA ITEM (ACTION ITEM):

Consider / Approve the 2026-2027 property and casualty, worker’s compensation, and cyber security insurance coverage renewals through the District’s insurance broker, Assured Partners.

APPLICABLE BOARD POLICY:

01.1 Legal Status of the Board; 04.31 Authority to Encumber and Expend Funds; 702 KAR 4:160

HISTORY/BACKGROUND:

KCSD has long partnered with Assured Partners to serve as the District’s broker for various insurance policies. Assured Partners continuously monitors the insurance landscape for policies that provide the District with minimum premiums and maximum coverages, and after conducting market research, recommends renewing property and casualty insurance through Bluegrass Risk Management (BRM), worker’s compensation through KEMI, and cyber security through ACE American. When comparing BRM to our previous property and casualty provider, KCSD has a probable premium savings estimate of nearly \$830,000 from FY25 through FY27. Additional benefits for renewing with BRM include a modest 2% increase in annual premiums compared to FY26 and a \$15,113 credit being deducted from the FY27 premium for properties removed from coverage throughout the year due to demolition. Worker’s compensation will continue to be through KEMI and the District will realize an \$8,000 premium reduction compared to FY26 for our continued safe work practices. Cyber security will recognize a premium reduction of nearly \$4,000 compared to FY26. The District’s Operations team has carefully reviewed this plan and fully supports Assured Partner’s renewal recommendations for FY27.

FISCAL/BUDGETARY IMPACT:

\$1,569,390 general fund expenditure for property and casualty, worker’s compensation, and cyber security insurance coverages.

RECOMMENDATION:

Approve the 2026-2027 Property and Casualty, worker’s compensation, and cyber security insurance coverage renewals through the District’s insurance broker, Assured Partners.

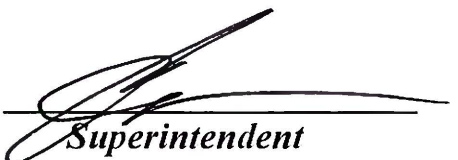
CONTACT PERSON:

Matt Rigg, Chief Operations Officer

Principal/Administrator



District Administrator



Superintendent



Proposal of Insurance for:

Kenton County Board of Education

7/1/2026 to 7/1/2027

*Presented May 14, 2026 by:
Steve Crawford
Karen McIntosh*

<http://www.assuredpartners.com/>

**Kenton County Board of Education
2026 Market Results**

Marketing Summary		
Coverage	Expiring	Renewal
Bluegrass Risk Management	\$1,212,483	\$1,261,220
KEMI - Work Comp	\$290,186	\$282,159
Cyber \$50k deductible *	\$29,921	\$26,011
Total	\$1,532,590	\$1,569,390

Emod change from 0.66 to 0.68
 payroll increased \$4,500,000
 property decreased \$27,679,860



Proposal Information

- The abbreviated outlines of coverage used throughout this proposal are not intended to express any legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverages proposed.
- Please be advised that no insurance coverage has yet been procured. All coverage summaries are for proposal purposes only.
- This proposal includes, but is not limited to the terms, conditions, limitations, or exclusions outlined. Please refer to the actual policies for specific terms, conditions, limitations, and exclusions that will govern in the event of a loss. Specimen copies of all policies are available for review prior to the binding of coverage, upon request.
- This proposal is based upon exposures to loss made known to our agency. If there are other areas that need to be evaluated prior to binding coverage, please bring these areas to our attention. Should any of your exposures change after coverage is bound, please let us know immediately so proper coverage(s) can be discussed.
- We suggest that you carefully review your property values for adequacy and consider any coinsurance provisions. The Client ultimately determines values insured.
- Higher limits of liability may be available. Please let us know if you would like a quote for higher limits.
- This proposal may include quotations for auditable policies, such as general liability and workers' compensation. You are responsible for providing us with the estimated premium basis used for rating. Auditable policies are typically adjusted at the end of the policy term based on the estimated vs. actual premium basis. This adjustment could result in additional premium due.
- Any exclusions shown in this proposal are highlighted for discussion purposes only. The policy is not necessarily limited to only those exclusions. Please refer to the actual policy for all policy exclusions.
- All losses or potential claims should be reported to your insurance carrier at the first notice of an incident in order to protect your company and comply with prompt reporting procedures found in most insurance policies. Also, it is important to notify your insurance carrier and your AssuredPartners Claims Representative upon first notice of a legal action. If lawsuits are not answered within the specified timeline, you could be found in default, resulting in payment of a loss which was not the fault of your company or employee.
- Timely payment of your insurance premium is critical. Please note the due dates on the invoices you receive and remit payments promptly. Late notices and/or notices of cancellation for non-payment from your insurance company or premium finance company can result in substantial late charges, and in some cases, a refusal to continue coverage.
- As an independent insurance agency, we are appointed with numerous insurance companies to transact business on their behalf. Our producers and service staff will negotiate with the insurance companies, while assisting you with constructing your insurance program and securing coverage per your request, and will provide on-going service throughout the policy term.

Compensation Disclaimer

1. Gallagher Companies are primarily compensated from the usual and customary commissions, fees or, where permitted, a combination of both, for brokerage and servicing of insurance policies, annuity contracts, guarantee contracts and surety bonds (collectively "insurance coverages") handled for a client's account, which may vary based on market conditions and the insurance product placed for the client.
2. In placing, renewing, consulting on or servicing your insurance coverages, Gallagher companies may participate in contingent and supplemental commission arrangements with intermediaries and insurance companies that provide for additional compensation if certain underwriting, profitability, volume or retention goals are achieved. Such goals are typically based on the total amount of certain insurance coverages placed by Gallagher with the insurance company, not on an individual policy basis. As a result, Gallagher may be considered to have an incentive to place your insurance coverages with a particular insurance company. If you do not wish to have your commercial insurance placement included in consideration for additional compensation, contact your producer or service team for an Opt-out form.
3. Gallagher Companies may receive investment income on fiduciary funds temporarily held by them, or from obtaining or generating premium finance quotes, unless prohibited by law.
4. Gallagher Companies may also access or have an ownership interest in other facilities, including wholesalers, reinsurance intermediaries, captive managers, underwriting managers and others that act as intermediaries for both Gallagher and other brokers in the insurance marketplace some of which may earn and retain customary brokerage commission and fees for their work.

If you have specific questions about any compensation received by Gallagher and its affiliates in relation to your insurance placements, please contact your Gallagher representative for more details.



AssuredPartners advises Clients to select insurance companies with an A.M. Best rating of A- or higher and financial size category of VII or higher.

	AM Best Rating	Description	AM Best Opinion
Secure	A++, A+	Superior	Superior ability to meet their ongoing insurance obligations
	A, A-	Excellent	Excellent ability to meet their ongoing insurance obligations
	B++, B+	Good	Good ability to meet their ongoing insurance obligations
Vulnerable	B, B-	Fair	Fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

Financial Size Category (FSC)

Assigned by A.M. Best, the FSC is based on adjusted policyholders' surplus (PHS) and is designed to provide a convenient indicator of the size of a company in terms of its statutory surplus and related accounts. Many insurance buyers only want to consider buying insurance coverage from companies that they believe have sufficient financial capacity to provide the necessary policy limit to insure their risks. Although companies utilize reinsurance to reduce their net retention on the policy limits they underwrite, many buyers still feel more comfortable buying from companies perceived to have greater financial capacity.

AM Best FSC	Adjusted PHS (\$ millions)	AM Best FSC	Adjusted PHS (\$ millions)
FSC I	Less than 1	FSC IX	250 to 500
FSC II	1 to 2	FSC X	500 to 750
FSC III	1 to 5	FSC XI	750 to 1,000
FSC IV	5 to 10	FSC XII	1,000 to 1,250
FSC V	10 to 25	FSC XIII	1,250 to 1,500
FSC VI	25 to 50	FSC XIV	1,500 to 2,000
FSC VII	50 to 100	FSC XV	2,000 or greater
FSC VIII	100 to 200		



Bluegrass Risk Management

- This carrier is not rated by the A.M. Best Company because it does not meet Best's minimum standard for rating, or has chosen not to participate in the A.M. Best rating process.
- Accordingly, you should be aware that we are unable to adequately evaluate this insurance company under AssuredPartners carrier financial standards (A.M. Best A-, VII)
- An alternate quotation through an A.M. Best-rated carrier may have been provided. Your choice of carrier should be made by weighing the positives and negatives of pricing, service, and carrier financial condition.
- We will provide any additional available information you may request to assist you in this decision. Please let us know if you have any questions.

As part of our proposal, we have included a quotation for coverage through a group self-insurance fund.

How Does Group Self-Insurance Differ from a Standard Insurance Contract?

- Group self-insurance is able to take advantage of less restrictive state regulations regarding capitalization, which may result in premium savings compared to standard insurance company programs.
- Group self-insurance funds are not protected by the State Insurance Guaranty Association, which protects the policies written by admitted carriers in case of insolvency.
- Should premiums collected for the group be insufficient to pay claims, assessments can be imposed on all group members. This agreement is what allows the self-insurance group to operate without the high level of capitalization required of insurance carriers.

What Do We Think?

- Group self-insurance is an accepted and state-regulated mechanism for satisfying an employer's obligations for things such as workers' compensation. The informed buyer should weigh the benefits of lowered cost against the possibility of assessments and lack of Guaranty Association protection.
- If you have any questions regarding any group self-insurance funds, please let us know.



What does a "Claims-Made" Policy Mean?

- Under a claims-made policy, coverage applies only if the incident giving rise to the claim occurs subsequent to the retroactive date and before the policy expiration date, AND the "Claim", as defined by the policy, is made against the Insured, and reported to the Insurer, prior to the policy expiration date.
- All claims-made policies require the Insured to report an incident considered likely to give rise to a claim. The reporting clause contains very specific requirements concerning the nature of information to be provided.
- Some claims-made policies have a very desirable feature, known as an Incident Sensitive or Incident Reporting trigger that allows for notice of an incident to trigger coverage under the policy, even though no "Claim" has yet been made against the Insured.
- Claims-Made policy conditions vary substantially by Insurer. Please refer to the actual policies for specific terms, conditions, limitations, and exclusions.

Changes in Ownership

Changes in ownership may affect your policy terms and conditions. You must notify a member of your service team immediately if there are any ownership changes.

Useful Terms and Definitions

Retroactive Date	Only events or incidents occurring subsequent to this date can qualify for coverage. Usually the effective date of the first year the claims-made policy form was provided to the Insured.
Continuity Date	The date the Insured signed the warranty statement in the application for insurance. If an incident occurred, and the Insured was aware of such incident on or before Continuity Date, the policy will not apply.
Pending and Prior Litigation Date	Excludes claims arising from litigation prior to or pending as of the stated date.
Extended Reporting Period (ERP) / Tail	The ERP (or Tail) is an endorsement available to extend the reporting period for the filing of a claim after policy termination. Generally, there is a limited time period during which the ERP endorsement can be purchased. Sometimes the ERP price is pre-determined, and other times it is not.
Administrative Complaints	Many EPL Insurers regard a notice of an administrative complaint, such as a filing by an employee with the federal or state EEOC, as a claim under the terms of their policy. As such, those notices must be reported to the Insurer when received, in order to avoid the possibility of the Insurer denying coverage for failing to file the claim when first made.



Client Authorization to Bind Coverage

After careful consideration of Gallagher's proposal dated 5/14/2026, we accept the following coverage(s). Please check the desired coverage(s) and note any coverage amendments below:

	Coverage/Carrier	TRIA	Description/Major Differences
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Package/Bluegrass Risk Management	<input type="checkbox"/> Accept <input type="checkbox"/> Reject	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Work Comp/KEMI	<input type="checkbox"/> Accept <input type="checkbox"/> Reject	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject	Cyber/ACE American	<input type="checkbox"/> Accept <input type="checkbox"/> Reject	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject		<input type="checkbox"/> Accept <input type="checkbox"/> Reject	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject		<input type="checkbox"/> Accept <input type="checkbox"/> Reject	
<input type="checkbox"/> Accept <input type="checkbox"/> Reject		<input type="checkbox"/> Accept <input type="checkbox"/> Reject	

*For this coverage, TRIA cannot be rejected

Please note the recommendations and considerations summarized in this section are not intended to identify all potential exposures. Gallagher is not an expert in all aspects of your business and assumes no responsibility to independently investigate the risks your business faces. Gallagher has relied upon the information you provided in making our insurance Proposals. If you are interested in pursuing additional coverages other than those listed above, please list the additional coverages in the Client Authorization to Bind.

Other Services to Consider

- Yes No - CORE360™ STEP
- Yes No – eRiskHub



Exposures and Values

You confirm the payroll, values, schedules, and any other information pertaining to your operations, and submitted to the underwriters, were compiled from information provided by you. If no updates were provided to Gallagher, the values, exposures and operations used were based on the expiring policies. You acknowledge it is your responsibility to notify Gallagher of any material change in your operations or exposures.

Additional Terms and Disclosures

Gallagher is not an expert in all aspects of your business. Gallagher's Proposals for insurance are based upon the information concerning your business that was provided to Gallagher by you. Gallagher expects the information you provide is true, correct and complete in all material respects. Gallagher assumes no responsibility to independently investigate the risks that may be facing your business, but rather have relied upon the information you provide to Gallagher in making our insurance Proposals.

Gallagher's liability to you arising from any of Gallagher's acts or omissions will not exceed \$20 million in the aggregate. The parties each will only be liable for actual damages incurred by the other party, and will not be liable for any indirect, special, exemplary, consequential, reliance or punitive damages. No claim or cause of action, regardless of form (tort, contract, statutory, or otherwise), arising out of, relating to or in any way connected with the Proposal, any of Gallagher's services or your relationship with Gallagher may be brought by either party any later than two (2) years after the accrual of the claim or cause of action.

Gallagher has established security controls to protect Client confidential information from unauthorized use or disclosure. For additional information, please review Gallagher's Privacy Policy located at <https://www.aig.com/privacy-policy/>.



You have read, understand and agree that the information contained in the Proposal and all documents attached to and incorporated into the Proposal, is correct and has been disclosed to you prior to authorizing Gallagher to bind coverage and/or provide services to you. By signing below, or authorizing Gallagher to bind your insurance coverage through email when allowed, you acknowledge you have reviewed and agree with terms, conditions and disclosures contained in the Proposal.

By: _____
Print Name (Specify Title)

Company

Signature

Date: _____



Client Name: Kenton County Board of Education

COVERAGE(S)	CARRIER NAME(S)	WHOLESALE, MGA, OR INTERMEDIARY NAME ¹	EST. ANNUAL PREMIUM ²	GALLAGHER U.S. OWNED WHOLESALE, MGA, OR INTERMEDIARY % AND/OR FEE
Package	Bluegrass Risk Management	Accretive		15%
Work Comp	KEMI			
Cyber	Ace American	RPS		12%

¹ We were able to obtain more advantageous terms and conditions for you through an intermediary/ wholesaler.

² If the premium is shown as an indication: The premium indicated is an estimate provided by the market. The actual premium and acceptance of the coverage requested will be determined by the market after a thorough review of the completed application.

* A verbal quotation was received from this carrier. We are awaiting a quotation in writing.

Note: When placing business with insurance companies, Gallagher Companies receive commission based on negotiated contractual terms with those carriers. The commission rate is a percentage of the premium excluding taxes and fees. Major lines of coverage, and their typical range of commissions are listed below. If you wish to receive more details on actual compensation paid to Gallagher Companies, please contact your Gallagher representative.

- Accident & Health: 15-25%
- Aviation: 14-15%
- Contract Bonds: 20-30%
- All Other Bonds/Surety: 30-35%
- Builders Risk: 15-18%
- Property: 15-22%
- Inland Marine: 20-22.5%
- Ocean Marine: 15-17.5%
- Casualty: 14-15%
- Commercial Auto: 12.5-15%
- Package / Business Owners Package: 15-16.8%
- Workers Compensation: 8-11%
- All Other Commercial: 10-20%
- Executive/Professional Lines: 15-17.5%
- Medical Malpractice: 10-12%

Compensation to Gallagher may also be disclosed in a Client Services Agreement or Consulting Services Agreement.