

Kenton County Fiscal Court

AIX - Current  
Coverage  
2020-2021

Princeton  
Option # 1  
2021-2022

Princeton  
Option # 2  
2021-2022  
(KACO Work Comp)

Limits of Coverage Summary:

Property	\$ 187,484,554
Auto Physical Damage	\$ 2,000,000
General Liability	\$ 6,000,000
Law Enforcement Liability	\$ 6,000,000
Automobile Liability	\$ 6,000,000
Public Officials Errors and Omissions Liability	\$ 6,000,000
Workers' Compensation	Statutory
Employers' Liability	\$ 2,500,000
Crime	\$ 1,000,000
Aggregate Excess	\$ 1,000,000
Cyber Liability	\$ 2,000,000

SIR/Deductible Summary:

Property	\$ 10,000
Auto Physical Damage	\$ 50,000
General Liability	\$ 100,000
Law Enforcement Liability	\$ 100,000
Automobile Liability	\$ 100,000
Public Officials Errors and Omissions Liability	\$ 100,000
Workers' Compensation - See below NOTES - changes in SIR	\$ 250,000
Employers' Liability	\$ 250,000
Crime	\$ 5,000
Loss Fund	\$ 767,918

Insurance Renewal Pricing:

AIX - Package Premium	\$ 555,680
AIX Premium KY Surcharge @ 1.8% & 3% Surplus Lines Tax	\$ 26,356
ALLIED EXCESS LIABILITY - \$1,000,000 over AIX for 21-22	\$ NA
KACO - Property (Includes Crime @ \$150,000, Equipment, B&M)	\$ 199,579
Earthquake - SEE OPTIONS BELOW**	\$ 151,306
Great American - Excess Crime - \$850,000 over KACO \$150,000	\$ 3,333
Beazley - Cyber Liability	\$ 13,681
MECC - Excess Workers' Compensation Premium	\$ 99,763
ASC Claims Administration	\$ 29,762
<b>Total</b>	<b>\$ 1,079,460</b>

Property	\$ 198,026,314
Auto Physical Damage	\$ 2,000,000
General Liability	\$ 6,000,000
Law Enforcement Liability	\$ 6,000,000
Automobile Liability	\$ 6,000,000
Public Officials Errors and Omissions Liability	\$ 6,000,000
Workers' Compensation	Statutory
Employers' Liability	\$ 2,500,000
Crime	\$ 1,000,000
Aggregate Excess	\$ 1,000,000
Cyber Liability	\$ 2,000,000

Property	\$ 10,000
Auto Physical Damage	\$ 50,000
General Liability	\$ 100,000
Law Enforcement Liability	\$ 100,000
Automobile Liability	\$ 100,000
Public Officials Errors and Omissions Liability	\$ 100,000
Workers' Compensation - \$350,000/\$500,000	\$ 350,000
Employers' Liability	\$ 350,000
Crime	\$ 5,000
Loss Fund	\$ 1,053,348

AIX - Package Premium	\$ 578,297
AIX Premium KY Surcharge @ 1.8% & 3% Surplus Lines Tax	\$ 26,364
ALLIED EXCESS LIABILITY - \$1,000,000 over AIX for 21-22	\$ NA
KACO - Property (Includes Crime @ \$150,000, Equipment, B&M)	\$ 190,019
Earthquake - SEE OPTIONS BELOW**	\$ 64,748
Great American - Excess Crime - \$850,000 over KACO \$150,000	\$ 3,999
Beazley - Cyber Liability	\$ 22,288
MECC - Excess Workers' Compensation Premium	\$ 114,994
ASC Claims Administration	\$ 31,824
<b>Total</b>	<b>\$ 1,032,533</b>

Property	\$ 198,026,314
Auto Physical Damage	\$ 2,000,000
General Liability	\$ 6,000,000
Law Enforcement Liability	\$ 6,000,000
Automobile Liability	\$ 6,000,000
Public Officials Errors and Omissions Liability	\$ 6,000,000
Workers' Compensation	Statutory
Employers' Liability	\$ 2,500,000
Crime	\$ 1,000,000
Aggregate Excess	\$ 1,000,000
Cyber Liability	\$ 2,000,000

Property	\$ 10,000
Auto Physical Damage	\$ 50,000
General Liability	\$ 100,000
Law Enforcement Liability	\$ 100,000
Automobile Liability	\$ 100,000
Public Officials Errors and Omissions Liability	\$ 100,000
Workers' Compensation - \$350,000/\$500,000	\$ NONE
Employers' Liability	\$ NONE
Crime	\$ 5,000
Loss Fund	\$ 549,966

AIX - Package Premium	\$ 481,902
AIX Premium KY Surcharge @ 1.8% & 3% Surplus Lines Tax	\$ 21,737
ALLIED EXCESS LIABILITY - \$1,000,000 over AIX for 21-22	\$ NA
KACO - Property (Includes Crime @ \$150,000, Equipment, B&M)	\$ 190,019
Earthquake - SEE OPTIONS BELOW**	\$ 64,748
Great American - Excess Crime - \$850,000 over KACO \$150,000	\$ 3,999
Beazley - Cyber Liability	\$ 22,288
MECC - Excess Workers' Compensation Premium	\$ 415,646
ASC Claims Administration	\$ 25,724
<b>Total</b>	<b>\$ 1,226,063</b>

Jail/All Other Law Entc

**NOTES:**

With the exit of AIX from the public entity marketplace in 2022, Princeton has offered a competitive alternative for your insurance.

**Worker's Compensation** - MECC is increasing SIR to \$500,000 for all class codes except 7720 (Law Enforcement) which is increasing to \$750,000

The Princeton policy provides a buffer layer of \$150,000 which means Kenton FC's SIRs will be \$350,000 for all class codes except 7720. Princeton will provide a \$250,000 Buffer on 7720 class code which will be \$500,000 per claim for Kenton FC for 21-22.

Average Work Comp claims paid by Kenton County since 2014 are as follows:

Average claims payments for open claims from previous years - \$200,335.48

Average claims payments for each current year - \$80,697.77

Average subrogation/recoverages from reinsurance Carrier - \$91,121.20

Average of above costs is **\$189,912.05** average claims payments annually.

Other costs - Premiums, Quarterly taxes, WC audits, etc is **\$219,317.89**

Average Costs of TPA claims handling for WC is **\$17,046.05**

**TOTAL AVERAGE WC COSTS ANNUALLY IS \$426,275.99**

KACo has added Earthquake insurance coverage within their property renewal. **\$125,000,000** limits of coverage will be available for any one claim and may be shared with other KACo insurance members if EQ damages other entities properties.

**Excess Earthquake options from Great American and Aspen Insurance - excess over their deductible and/or KACo Insurance EQ coverage being provided within property policy:**

Aspen Insurance - current 20-21 policy now provides \$25,000,000 with a \$50,000 deductible. Renewal offers same coverage which will now be excess of any coverage offered by KACo policy. **Annual premium \$79,177**

Great American - current 20-21 policy now provides \$50,000,000 with a \$25,000,000 deductible satisfied by above Aspen policy. Renewal provides same limits and deductible. Deductible can be satisfied by the purchase of Aspen Insurance OR the County's share of KACo insurance. **Annual Premium - \$64,748**

Great American - OPTION - Not currently in place for 20-21 policy - \$25,000,000 coverage with a \$25,000,000 deductible which can be satisfied with the purchase of the Aspen policy OR the County's share of KACo insurance. - **Annual premium - \$51,802**

**HIGHLIGHTED IN YELLOW IS PRINCETON OPTION # 1 WHICH RELAYS ALL COVERAGES CHOSEN BY THE COUNTY FOR RENEWAL OF INSURANCE PROGRAM COVERAGES EFFECTIVE JULY 1, 2021 - JUNE 30, 2022.**

## Premium History

In the early years of administering your self insured program, premiums fluctuated (by as much as 15%) as well as the coverages offered by various carriers.

In addition to coverage enhancements described on previous pages, Kenton FC has enjoyed a stabilization in overall costs of program administration which includes the purchase of excess insurance and claims administrative services.

Since 2006, the overall costs have been as follows:

2006-07	\$914,251
2007-08	\$916,103
2008-09	\$915,953
2009-10	\$910,949
2010-11	\$915,383
2011-12	\$919,760
2012-13	\$911,907
2013-14	\$958,685
2014-15	\$942,731
2015-16	\$965,758
2016-17	\$967,783 (added Cyber Liability - \$13,637)
2017-18	\$974,847
2018-19	\$993,769
2019-20	\$993,203 + \$60,401 = <u>\$1,053,627</u> (includes new Admin Building)
2020-21	\$1,079,460
2021-22	\$1,032,533

# Coverage Summary of Changes and Enhancements

2007 - 2021

- Streamlining coverage: Until 2007, to ensure the best coverage, separate carriers were utilized for property, boiler, & earthquake. Now one carrier is able to provide all of these coverage's at higher limits than the 3 separate carriers could provide.
- Earthquake coverage has increased from \$51,000,000 to \$75,000,000
- Self Insured retentions have been lowered from \$250,000 to \$100,000 for Law Enforcement Liability, Public Officials Liability and Employment Practices Liability.
- Auto Physical Damage self- insured retention was lowered in 2011 from \$100,000 to \$25,000. Additionally, Auto PD coverage was added to the Earthquake Coverage.
- Crime/Employee Dishonesty self insured retention was lowered in 2011 from \$100,000 to \$75,000.
- Excess property limits of coverage have increased from \$51,000,000 in 2007 to more than \$123,000,000 for 2017.
- Property retention lowered from \$100,000 to \$50,000 in 2014.
- Boiler & Machinery retention lowered from \$100,000 to \$25,000 in 2014
- Increased Business Interruption coverage from \$1,000,000 to \$3,000,000 in 2011 to comply with bond requirements related to Justice Center. The Combined BI and Extra Expense was raised to \$10,000,000 in 2013.
- Included Terrorism Coverage.
- Deleted exclusion for Punitive Damage Coverage in 2011.
- Included coverage for liquor sales at Golf Courses in 2011.
- Increased Dam Liability (Banklick) from \$1,000,000 to \$6,000,000 in 2011.
- Deleted exclusions for judgments awarding front and back pay.
- Increased Sexual Harassment Liability coverage from \$1,000,000 to \$6,000,000
- Added coverage for Sexual Abuse Liability – May 1, 2008.
- Added enhanced loss control/risk management assistance through Brooks Consulting Services.
- Added an aggregate loss fund, (\$950,000 for 2016) and Aggregate loss insurance. If the County reaches \$950,000 in self insured retention payments, the aggregate loss insurance kicks in to pay the next \$1,000,000 in retentions. (This Aggregate loss fund will remain the same for 2017-18 policy term)
- Sexual Harassment Coverage and Sexual Abuse Coverage have been changed from claims-made to occurrence form policies for both General Liability and Law Enforcement Liability in 2012.
- Three year excess property policy with rate guarantee offered for 2016-2019 policy term and accepted by FC
- Three year Princeton excess policy with rate guarantees offered for 2016-2019 policy term and accepted by FC.
- Cyber Liability (limits of \$1,000,000) coverage enhancement added for 2016 policy term.
- Added \$4,800,000 in new property in 2016 at site of future Courthouse
- Enhanced coverage for Sexual Harassment/Abuse coverage to provide defense to employees until admission of guilt, final adjudication, determination of guilt, etc.
- Added enhanced coverage for S.W.A.T
- Added enhanced coverage for Area Strike Force
- Increased Cyber Liability limits to \$2,000,000 in 2019
- Increased Crime/Employee Dishonesty Limits to \$1,000,000 and lowered deductible from \$75,000 to \$5,000 in 2019
- Lowered Property & Equipment Deductible from \$50,000 to \$5,000 in 2019
- Increased property deductible to \$10,000 and Auto Physical Damage deductible to \$50,000 for 20-21 policy term
- Added new properties including Emergency Shelter valued at \$650,000, Emergency Equipment/Sirens/Towers valued at \$2,696,888, and new Administrative Building valued at \$32,488,800 in 2019-20.
- Property values increased to \$198,026,314 in 2021.
- SIR's increased to \$150,000 on the Jail portion of Law Enforcement Liability but stayed the same at \$100,000. on all other Law Enforcement.

- Earthquake now added into the KACo Property coverages at no additional premium cost. \$125,000,000 in shared limits. This coverage, along with the purchase of an additional \$50,000,000 in coverage through Great American Insurance, is saving the County \$86,558 in premium dollars currently expended for the purchase of Earthquake Insurance.
- Work Comp SIR's are increasing from \$250,000 per claim to \$350,000 per claim on all class codes except Law Enforcement (7720/7721) which is increasing to \$500,000 per claim.
- The County is moving your All Lines Aggregate insurance back to Princeton/Munich Re in 2021-22.