

# PROPOSAL OF INSURANCE AND RISK MANAGEMENT

*Prepared for:*

**Lexington-Fayette Urban County  
Government**

*Policy Period: July 1, 2018 to July 1, 2019*



***J. Smith Lanier & Co.***  
a Marsh & McLennan Agency LLC company

*Presented by:*

**Kevin C. Kelly**  
**Vice-President**

**Brenda Stickrod**  
**Senior Account Manager**

**Sandy LaFollette**  
**Senior Marketing Specialist**

May 17, 2018

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## MISSION STATEMENT

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*To glorify God by providing exceptional value, absolute integrity, and excellence to:*

- Our Customers - Through innovative leadership in providing products and services, while establishing our value to them in a long-term relationship.
- Our Employees/Shareholders - Through opportunities for every individual to set and achieve goals that fulfill their unique purpose while they contribute to the long-term financial stability of J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company.
- Our Suppliers - Through access to our customers and information in the development and marketing of their products and service.
- Our Community - Through corporate and personal participation in each of the communities we serve by providing our time, our talents, and our treasure for the betterment of life.

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## SERVICE TEAM

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At J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, we believe the best way to effectively give your business the service it deserves is through a team effort. Our client service team concept is designed to give you consistent, knowledgeable service which can only occur by working with trained professionals.

*J. Smith Lanier & Co.  
a Marsh & McLennan Agency LLC company*

360 East Vine Street  
Lexington, Kentucky 40508

Main Phone Number: 859-254-8023

Main Fax Number: 859-254-8020

### COMMERCIAL LINES TEAM

<b>Kevin C. Kelly</b> <a href="mailto:kkelly@jsmithlanier.com">kkelly@jsmithlanier.com</a>	Vice-President	859-244-7609
<b>Brenda Stickrod</b> <a href="mailto:bstickrod@jsmithlanier.com">bstickrod@jsmithlanier.com</a>	Senior Account Manager	859-244-7684
<b>Sandy LaFollette</b> <a href="mailto:slafollette@jsmithlanier.com">slafollette@jsmithlanier.com</a>	Senior Marketing Specialist	859-244-7622

### CLAIMS

<b>Kate McAllister</b> <a href="mailto:kmcallister@jsmithlanier.com">kmcallister@jsmithlanier.com</a>	Claim Analyst	859-244-7623
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## SERVICE COMMITMENT

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*J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company*, is committed to the client. We enjoy what we do and it shows in our work. Some of our more important qualities include:

- **A team of qualified insurance professionals**
  - Periodic evaluation of your insurance program
  - Certificates of Insurance
  - Policy forms, wording, and endorsements
  - Contracts (Insurance/Indemnification provisions)
  
- **Claims Management Services**
  - Resolve coverage issues
  - Claims reporting procedures
  - Timely settlements
  
- **Engineering Services**
  - Site surveys
  - Develop new or refined safety programs
  - Safety Training
  - Review Carrier recommendations for feasibility and effectiveness

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## CLIENT PORTAL

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Client Portal is your personalized website that allows you to effortlessly click, connect, and communicate with J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company. It is designed to offer you time-saving tools and resources that build convenience into managing your everyday work tasks. Whether you want to view documents online, participate in plan/program surveys, or connect with over 300,000 peers in your industry, this is the place to be. It's easily accessible, hardworking, and just one of the many value-added services available when you partner with J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company.

### Property and Casualty Client Features

- Choose from hundreds of Property & Casualty resources
- Property & Casualty Document Library and Newsletters
- Links to well-known, official industry websites
- Access Workers' Compensation statutes for all 50 states
- OSHA Compliance and create and maintain your OSHA log electronically
- Benchmark Surveys & Statistics

### Benefit Client Features

- HR-related topics including a powerful search engine for quick and easy access
- Direct link to federal and state legislation guides
- Frequently Asked Questions (and Answers)
- Instant access to downloadable articles
- Benchmark Surveys & Statistics
- Compliance & Plan Designs
- Employee Communication & Education
- Links to well-known and official industry websites

### Collaboration Center

- Our document posting capabilities allow a seamless exchange of information sharing from our agency to you.
- Accessible 24/7, postings from our agency are timely, relevant, and easy to locate in one convenient place online.

### Survey Benchmarking

- Participate in benefit plan and/or Property & Casualty program surveys.
- Allows you to determine how your plans and programs compare to employers across the U.S.

### Community

- You can share information and resources through an interactive forum that allows you to post questions, provide insight into other users' questions, and allows you to track responses based on topics or individual questions.
- Community postings are organized by topic so you can source information quickly and easily.

### Exchange Internal Documents Online

- Access to information housed in one area
- Simplifies updates to reports, worksheets, questionnaires and policies

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## SCHEDULE OF NAMED INSUREDS

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{Named Insureds listed below apply to all coverages unless specifically noted}

Special care must be taken to insure all legal entities of your business, including any LLC (*Limited Liability Corporation*), JV (*Joint Venture*), and Partnerships. Many insurance policies do not cover these entities unless they are specifically named on the policy. It is important to notify your agent if an entity is formed during the policy term. Let us know if one of your entities is not listed below.

Lexington-Fayette Urban County Government

## COMMERCIAL PROPERTY

Named Insured: Lexington-Fayette Urban County Government  
Carrier Name: Affiliated FM Insurance Company  
A.M. Best Rating: A+:XV as of February 23, 2018

Coverage written on:

Property Specific Basis  
*(Refer to Property Statement of Values for specific limits)*

Property Blanket Basis

<u>Blanket Coverage Description</u>	<u>Limit</u>
Combined Building & Personal Property	\$500,000,000

Based on Total Insured Value - \$881,637,545 per Statement of Values on file.

Valuation: *(Applies Only if Marked)*

- Replacement Cost  
 Agreed Value  
 Actual Cash Value  
 Functional Replacement Cost  
 Guaranteed Replacement Cost

Perils Insured: *(Applies Only if Marked)*

- Basic Cause of Loss  
 Broad Cause of Loss  
 Special Cause of Loss  
 Flood  
 Earthquake

Coinsurance: *(Applies Only if Marked)*

- None  
 80%  
 90%  
 100%

### Coverage Summary

Direct physical loss of or damage to covered property at described premises caused by or resulting from a covered Cause of Loss.

### Property Specific Basis

Property protection is provided for a specified limit of insurance at each individually described premise.

### Property Blanket Basis

Property protection is provided under a single limit of insurance which is not restricted to a specific amount for any one coverage or any one location.

### Valuation:

The value basis by which the covered property is replaced after the loss.

*Refer to Property Definitions page*

**Deductibles:**

1. \$250,000 Earthquake (per occurrence for all coverages provided).

2. Flood (per occurrence for all coverages provided).

A. \$250,000 at all locations except:

B. \$500,000 applying separately to each of the following locations:

54. Lift Station Structure, 2500 Bowman Mill Road, Lexington, KY, 40513

88. West Hickman WWTP, 635 West Hickman Plant Road, Nicholasville, KY, 40356-8582

3. \$100,000 Boiler and Machinery.

4. Communicable Disease Property Damage and Business Interruption:

Qualifying Period: With respect to Communicable Disease Property Damage and Business Interruption coverage, this Company will not be liable for loss unless the Period of Liability exceeds 48 hours.

Should the Period of Liability exceed this time period, the insured loss or damage will be calculated beginning from the time of loss subject to a deductible of \$250,000 combined all coverages.

5. Computer Systems Non-Physical Damage:

Qualifying Period: This Company will not be liable for loss resulting from the failure of the Insured's electronic data processing or media to operate as a direct result of a malicious act directed at the Named Insured, unless the Period of Liability exceeds 48 hours.

The Qualifying Period for the cost to temporarily protect under Item 4. b) shall be waived.

Should this time be exceeded, the insured loss or damage will be calculated beginning from the time of loss subject to a deductible of \$250,000.

6. Data, Programs, or Software:

Qualifying Period: This Company will not be liable for loss or damage caused by the malicious introduction of a machine code or instruction, unless the time to recreate or restore physically damaged property exceeds 48 hours.

Should this time be exceeded, the insured loss or damage will be calculated beginning from the time of loss subject to a deductible of \$250,000.

7. Off-Premises Data Services Property Damage and Business Interruption:

Qualifying Period: With respect to Off-Premises Data Services Property Damage and Business Interruption coverage, this Company will not be liable for loss unless the period of interruption, as described below, exceeds 24 hours.

The period of interruption for off-premises data processing or data transmission services is the period starting when an interruption of provided services happens; and ending when with due diligence and dispatch the service could be wholly restored.

Should the period of interruption exceed this time period, the insured loss or damage will be calculated beginning from the time of loss subject to a deductible of \$250,000 combined all coverages.

8. Off-Premises Service Interruption Property Damage and Business Interruption:



Qualifying Period: With respect to Off-Premises Service Interruption Property Damage and Business Interruption, this Company will not be liable for loss unless the period of interruption, as described below, exceeds 24 hours.

The period of interruption for Off-Premises Service Interruption Property Damage and Business Interruption is the period starting when an interruption of provided services happens; and ending when with due diligence and dispatch the service could be wholly restored.

Should the period of interruption exceed this time period, the insured loss or damage will be calculated beginning from the time of loss subject to the deductible(s) that would have applied to the cause of the interruption of services, but not less than \$250,000 combined all coverages.

9. \$100,000 Motor Vehicle Coverage

10. \$100,000 Fine Arts

11. \$250,000 All Other Losses

#### **SUB-LIMITS:**

Unless otherwise stated below or elsewhere in this Policy, the following sub-limits of liability, including any insured Business Interruption loss, will be the maximum payable and will apply on a per occurrence basis. The sub-limits stated below or elsewhere in this Policy are part of and not in addition to the Policy Limit. When a limit of liability applies to a location or property, such limit of liability will be the maximum amount payable for all loss or damage.

There shall be no liability under this Policy when "NOT COVERED" is shown as a sublimit.

1. \$100,000,000 Earth Movement annual aggregate for all coverages provided, and is the maximum amount payable for all loss or damage caused by or resulting from Earth Movement, not to exceed:

\$50,000 Earth Movement annual aggregate as respects Errors & Omissions, Off-Premises Data Services, Off-Premises Service Interruption, Unnamed Property and Supply Chain combined.

2. \$50,000,000 Flood annual aggregate for all coverages provided, and is the maximum amount payable for all loss or damage caused by or resulting from Flood, not to exceed:

\$5,000,000 Flood annual aggregate for all coverages provided at the following locations:

#### Locations

54. Lift Station Structure, 2500 Bowman Mill Road, Lexington, KY, 40513

64. Lift Station Structure, 2201 Elkhorn Road, Lexington, KY, 40505-4837

88. West Hickman WWTP, 635 West Hickman Plant Road, Nicholasville, KY, 40356-8582

\$50,000 Flood annual aggregate as respects Errors & Omissions, Off-Premises Data Services, Off-Premises Service Interruption, Unnamed Property and Supply Chain combined.

3. \$25,000,000 Motor Vehicle Coverage
4. \$10,000,000 Miscellaneous Equipment
5. \$2,500,000 Animals Coverage not to exceed \$50,000 per Animal

#### **AUTOMATIC COVERAGE EXTENSIONS**

\$10,000,000	Accounts Receivable
\$100,000	Arson or Theft Reward
Policy Limit	Brand Protection

\$100,000	Change of Temperature
\$100,000	Communicable Disease – Property Damage annual aggregate
\$500,000	Data, Programs or Software
Policy Limit	Debris Removal
Policy Limit	Decontamination Costs
\$100,000	Deferred Payment
Policy Limit	Demolition and Increased Cost of Construction
\$10,000,000	Errors and Omissions
\$10,000,000	Expediting Expenses
\$5,000,000	Fine Arts <b>not to exceed \$10,000 per item for irreplaceable Fine Arts</b>
\$50,000	Green Coverage not to exceed 25% of the amount of the property damage loss
\$500,000	Land and Water Clean Up Expense annual aggregate
\$100,000	Locks and Keys
\$1,000,000	Money & Securities (Named Perils)
\$10,000,000	Newly Acquired Property
\$50,000	Off-Premises Data Services – Property Damage
\$5,000,000	Off-Premises Service Interruption
\$250,000	Professional Fees
Policy Limit	Property Removed from a Location
Policy Limit	Protection and Preservation of Property – Property Damage not to exceed \$250,000 for security costs
\$100,000	Tax Treatment
\$100,000	Tenants Legal Liability
	Terrorism Coverage and the Supplemental United States Certified Act of Terrorism Endorsement
\$500,000,000	a. United States Certified Act of Terrorism coverage
	b. Terrorism Coverage for Locations Outside of the United States annual aggregate but not to exceed \$100,000 annual aggregate for Property Removed from a Location, Unnamed Locations and Flood
\$2,500,000	Transit not to exceed \$250,000 for Business Interruption
\$10,000,000	Unnamed Locations
\$10,000,000	Valuable Papers and Records <b>not to exceed \$10,000 per item for irreplaceable Valuable Papers and Records</b>

Business Interruption Coverage

\$10,000,000	Gross Earnings not to exceed 30 days for ordinary payroll
\$10,000,000	Gross Profits for 12 months Period of Liability not to exceed 30 days for ordinary payroll
\$10,000,000	Rental Income
\$10,000,000	Extra Expense

Business Interruption Coverage Extensions

\$100,000	Attraction Property
30 Days	Civil or Military Authority
\$100,000	Communicable Disease – Business Interruption annual aggregate for a 12 Month Period of Liability
Included in Data, Programs or Software	Computer Systems Non-Physical Damage annual aggregate
\$100,000	Contractual Penalties
\$100,000	Crisis Management not to exceed 30 Days
90 Days	Extended Period of Liability
\$1,000,000	Ingress/Egress
\$10,000,000	Leasehold Interest
\$100,000	Logistics Extra Cost
\$50,000	Off-Premises Data Services – Business Interruption
\$1,000,000	Off-Premises Service Interruption – Business Interruption
Policy Limit	Protection and Preservation of Property – Business Interruption

NOT COVERED  
\$1,000,000  
\$500,000

Research and Development  
Soft Costs  
Supply Chain

**SPECIAL TERMS AND CONDITIONS:**

1. Data, Programs, or Software Split Sublimit for Malicious Introduction of Machine Code

The Data, Programs or Software SUB-LIMIT in the Additional Property Damage Coverage is amended to:

\$5,000,000 Data, Programs or Software, not to exceed:

\$500,000 Data, Programs or Software for physical loss or damage caused by the malicious introduction of a machine code or instruction.

2. Motor Vehicle Coverage

This policy is extended to covers:

- a) Motor vehicles;
- b) Trucks; and
- c) Trailers;

Licensed for highway use.

PROPERTY EXCLUDED, item 7., is amended to:

7. Motor vehicles owned by directors, officers and employees of the Insured

Motor Vehicle Coverage: On property insured under this coverage, the loss amount will not exceed the **actual cash value**.

3. Miscellaneous Equipment

This Policy covers the following equipment:

Traffic Equipment, as per the descriptions and values located in the Traffic Equipment schedule on file with the Company.

The Company's maximum liability for any one loss under this Policy for each piece of Equipment will not exceed their respective limit(s) shown above per occurrence.

4. Pavement and Roadways Described Location

This policy is extended to cover insured property for Pavements and Roadways at a described location only.

5. Transmission and Distribution Systems Exclusion PROPERTY EXCLUDED is amended to include:

Transmission and distribution systems, including poles, towers and fixtures, overhead conductors and devices, underground or underwater conduit, underground or underwater conductors and devices, line transformers, service meters, street lighting and signal systems, EXCEPT as reported on the Traffic Equipment schedule on file with the Company.

6. Animals Coverage - Coverage provided by this policy is extended to include physical loss or damage to animals while at described locations.

PROPERTY EXCLUDED, item 2., is amended to: Growing Crops or standing timber.

Animals Coverage Exclusion: As respects Animals Coverage, the following additional exclusions apply:

This Policy excludes animal mortality, including any physical injury or death caused by other animals, unless directly caused by named perils.

Animal Coverage Valuation: On property covered under this coverage, the loss amount will not exceed the lesser of:

- a. The cost to replace the animal with a similar species of animal; or
- b. The value designated for the animal in the most recent statement of values submitted by the Insured; or
- c. The sub-limit for animals.

7. Historical Replacement Cost - LOSS ADJUSTMENT AND SETTLEMENT item L., Valuation, is amended to include:

With respect to buildings designated by a local, state, or federal authority to be of historical significance or of historical value, such rebuilding, repairing or replacement shall be with modern material, workmanship processes, technologies and designs, and shall not include the cost of re-creating outdated, archaic or antiquated materials, workmanship, processes, technologies, or designs, whether or not such cost otherwise would be covered under Section D.ADDITIONAL PROPERTY DAMAGE COVERAGE, Item 10., Demolition and Increased Cost of Construction.

8. Mortgage/Lenders Loss Payable - PRO 66 (4/15)  
Subject to the GENERAL CONDITIONS, MORTGAGEE/LENDERS LOSS PAYABLE, loss, if any, under this Policy will be adjusted with and made payable to the Insured and the following, as their interest may appear:

Mortgagee/Lender and Address  
AOC-Commonwealth of Kentucky's  
Administrative Office of the Court  
1001 Vandalay Dr  
Frankfort, KY 40601

Location/Interest  
With Respects to the Bond Issue

Corporation-LFUCG Public Facilities Corporation  
The Lexington-Fayette Urban County Government  
Public Facilities Corporation  
200 East Main St  
Lexington, KY 40507

Trustee-U.S. Bank, National Association, Louisville, KY  
U.S. Bank  
Global Corporate Trust Services  
One Financial Square  
Louisville, KY 40202 CN-KY-0850

Bank of New York Mellon Trust company, N.A.  
614 West Main St., Suite 2600  
Louisville, KY 40202

9. United States Certified Act of Terrorism 2015

As respects the United States, its territories and possessions and the Commonwealth of Puerto Rico, the definition of terrorism contained in DEFINITIONS is declared null and void and it is agreed that an event defined as a Certified Act of Terrorism under the terms of the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT attached to this Policy shall be considered terrorism within the terms of this policy. Notwithstanding anything contained in this Policy to the contrary, this Policy provides coverage for direct physical loss or damage to insured property and any resulting Business Interruption loss, as provided in the Policy, caused by or resulting from a Certified Act of Terrorism only to the extent coverage is provided under the terms and conditions of the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT attached to this policy. Any difference in limit between loss recoverable under the SUPPLEMENTAL UNITED STATES CERTIFIED ACT OF TERRORISM ENDORSEMENT and this Policy is not recoverable under this Policy.

I. INDEX OF FORMS:

<u>Title</u>	<u>Form No.</u>	<u>Edition</u>
Declarations Page	PRO DEC 4100	04/15
Declarations	PRO S-1 4100	01/17
All Risk Coverage	PRO AR 4100	01/17
Supplemental United States Certified Act of Terrorism Endorsement	7312	01/15
Kentucky Amendatory Endorsement	AFM 6504	04/15

# Lexington Fayette Urban County Government Statement of Values

Values as of April 9, 2018

Loc/ID	Address	Name	City	SVP/In	County	Post/Code	Values		
							Real Property	Personal Property	Total Insured Value
001	Circuit Courthouse		Lexington	KY	Fayette	40507-1152	33,272,500	18,000	33,290,500
002	District Courthouse		Lexington	KY	Fayette	40507-1154	35,474,600	39,500	35,514,100
004	Annex Garage		Lexington	KY	Fayette	40507-1319	8,989,315	1,510,685	10,500,000
005	Coroner's Office		Lexington	KY	Fayette	40507	1,515,200	187,000	1,702,200
006	M And E Warehouse		Lexington	KY	Fayette	40508-1649	0	2,940,000	2,940,000
007	Government Center		Lexington	KY	Fayette	40507-1310	23,970,100	3,209,000	27,179,100
008	Government Center Garage		Lexington	KY	Fayette	40507-1310	3,271,200	0	3,271,200
009	Swiftow Building		Lexington	KY	Fayette	40507-1310	1,145,800	285,000	1,430,800
010	Traffic Engineering Building		Lexington	KY	Fayette	40504-1123	1,388,100	355,000	1,743,100
011	Old & New Transfer Station		Lexington	KY	Fayette	40504-1123	745,000	0	745,000
012	Building 1 & 2 & Salt Barn		Lexington	KY	Fayette	40504-1019	1,613,100	164,800	1,777,900
013	Front, Middle & Back Building		Lexington	KY	Fayette	40504-1796	4,286,900	1,725,000	6,011,900
014	Office Building		Lexington	KY	Fayette	40510-9665	2,077,800	185,800	2,263,600
	Bluegrass Recycling								
	Center/Truck Bay #1/Truck								
015	Bay #2		Lexington	KY	Fayette	40508-2045	2,382,700	4,750,000	7,132,700
016	Submersible Station		Lexington	KY	Fayette	40515-1232	225,400	7,500	232,900
017	Can/Packaged Station		Lexington	KY	Fayette	40511-1016	96,800	0	96,800
018	Submersible Station		Lexington	KY	Fayette	40503-3470	41,400	0	41,400
019	Submersible Station		Lexington	KY	Fayette	40505-2239	147,200	0	147,200
020	Can/Packaged Station		Lexington	KY	Fayette	40505-2415	193,600	0	193,600
021	Lift Station Structure		Lexington	KY	Fayette	40515-1007	2,874,600	12,500	2,887,100
022	Submersible Station		Lexington	KY	Fayette	40515-1092	73,600	0	73,600
023	Can/Packaged Station		Lexington	KY	Fayette	40510-1004	171,600	0	171,600
024	Submersible Station		Lexington	KY	Fayette	40502-1950	36,800	0	36,800
025	Submersible Station		Lexington	KY	Fayette	40511-1812	23,000	0	23,000
026	Submersible Station		Lexington	KY	Fayette	40507-1310	41,400	0	41,400
027	Can/Packaged Station		Lexington	KY	Fayette	40509-9700	215,600	0	215,600
028	Can/Packaged Station		Lexington	KY	Fayette	40509-9554	202,400	0	202,400
029	Can/Packaged Station		Lexington	KY	Fayette	40511-1351	176,000	0	176,000
030	Submersible Station		Lexington	KY	Fayette	40510-9691	27,600	0	27,600
031	Submersible Station		Lexington	KY	Fayette	40509-2210	165,600	6,500	172,100
032	Submersible Station		Lexington	KY	Fayette	40515-1219	87,400	0	87,400
033	Submersible Station		Lexington	KY	Fayette	40515-1141	46,000	0	46,000
034	Submersible Station		Lexington	KY	Fayette	40515-1109	110,400	4,000	114,400
035	Submersible Station		Lexington	KY	Fayette	40511-8724	55,200	5,000	60,200
036	Submersible Station		Lexington	KY	Fayette	40510-9633	124,200	0	124,200
037	Submersible Station		Lexington	KY	Fayette	40502-2676	39,600	0	39,600
038	Can/Packaged Station		Lexington	KY	Fayette	40502-2654	281,600	0	281,600
039	Can/Packaged Station		Lexington	KY	Fayette	40511-2607	206,800	0	206,800
041	Can/Packaged Station		Lexington	KY	Fayette	40505-3902	132,000	0	132,000
042	Can/Packaged Station		Lexington	KY	Fayette	40509-4320	105,600	0	105,600

Loc ID	Address	City	St/Prv	County	Post Code	Values			
						Real Property	Personal Property	Total Insured Value	
Ins Loc	Name	Address	City	St/Prv	County	Post Code	Real Property	Personal Property	Total Insured Value
043	Lower Carne Run Wet Weather Storage	Lexington	KY	Fayette	40511		12,078,366	0	12,078,366
044	Lift Station Structure	Lexington	KY	Fayette	40511-8767		2,392,900	15,000	2,407,900
045	Submersible Station	Lexington	KY	Fayette	40509-9427		0	0	0
046	Submersible Station	Lexington	KY	Fayette	40503-1222		33,100	0	33,100
047	Lift Station Structure	Lexington	KY	Fayette	40513		681,500	0	681,500
048	Submersible Station	Lexington	KY	Fayette	40510-9692		30,400	0	30,400
049	Submersible Station	Lexington	KY	Fayette	40504-1107		32,200	0	32,200
050	Submersible Station	Lexington	KY	Fayette	40513-1326		55,200	0	55,200
051	Submersible Station	Lexington	KY	Fayette	40502		35,000	0	35,000
052	Can/Packaged Station	Lexington	KY	Fayette	40517-6002		206,800	0	206,800
053	Submersible Station	Lexington	KY	Fayette	40504-1019		32,200	0	32,200
054	Submersible Station	Lexington	KY	Fayette	40511-1084		73,600	5,000	78,600
055	Can/Packaged Station	Lexington	KY	Fayette	40502-2847		149,600	0	149,600
056	Can/Packaged Station	Lexington	KY	Fayette	40505-1850		149,600	0	149,600
057	Can/Packaged Station	Lexington	KY	Fayette	40505-1852		118,800	0	118,800
058	Can/Packaged Station	Lexington	KY	Fayette	40505-1534		127,600	0	127,600
059	Lift Station Structure	Lexington	KY	Fayette	40513		3,055,500	0	3,055,500
060	Can/Packaged Station	Lexington	KY	Fayette	40511-2201		123,200	0	123,200
061	Can/Packaged Station	Lexington	KY	Fayette	40505-1741		206,800	0	206,800
062	Submersible Station/Town	Lexington	KY	Fayette	40504		21,400,000	0	21,400,000
063	Branch WWTP Tank Phase 1	Lexington	KY	Fayette	40504-1115		118,800	0	118,800
064	Can/Packaged Station	Lexington	KY	Fayette	40507-1413		28,000	0	28,000
065	Packaged Station	Lexington	KY	Fayette	40504-1182		90,200	0	90,200
066	Submersible Station	Lexington	KY	Fayette	40511-9529		140,800	0	140,800
067	Submersible Station	Lexington	KY	Fayette	40503-1237		35,900	0	35,900
068	Submersible Station	Lexington	KY	Fayette	40510-9001		119,600	0	119,600
069	Lift Station Structure	Lexington	KY	Fayette	40505-4837		4,064,700	15,000	4,079,700
070	Lift Station Structure	Lexington	KY	Fayette	40511-8690		791,800	5,000	796,800
071	Lift Station Structure	Lexington	KY	Fayette	40511		79,300	0	79,300
072	Submersible Station	Lexington	KY	Fayette	40511-8938		484,900	5,000	489,900
073	Lift Station Structure	Lexington	KY	Fayette	40505-3620		34,000	0	34,000
074	Submersible Station	Lexington	KY	Fayette	40505		38,600	5,000	43,600
075	Submersible Station	Lexington	KY	Fayette	40505-2026		50,600	5,000	55,600
076	Submersible Station	Lexington	KY	Fayette	40511-1572		73,600	5,000	78,600
077	Submersible Station	Lexington	KY	Fayette	40509-4306		34,000	5,000	39,000
078	Submersible Structure	Lexington	KY	Fayette	40505-4214		45,000	5,000	50,000
079	Submersible Station	Lexington	KY	Fayette	40505-2709		1,055,000	0	1,055,000
080	Lift Station Structure	Lexington	KY	Fayette	40510-9606		42,300	5,000	47,300
081	Submersible Structure	Lexington	KY	Fayette	40510-9606		101,200	6,500	107,700
082	Submersible Structure	Lexington	KY	Fayette	40515-9554		64,400	6,500	70,900
083	Submersible Structure	Lexington	KY	Fayette	40509-9760		92,000	0	92,000
084	Submersible Station	Lexington	KY	Fayette	40509-9754				
087	Submersible Station	Lexington	KY	Fayette					

Loc ID	Address	City	St/Pk	County	Post Code	Values		
						Real Property	Personal Property	Total Insured Value
088	Submersible Station	Lexington	KY	Fayette	40511-2061	64,400	0	64,400
089	Submersible Station	Lexington	KY	Fayette	40504-1019	45,100	0	45,100
090	Submersible Structure	Lexington	KY	Fayette	40504	43,300	0	43,300
091	Submersible Structure	Lexington	KY	Fayette	40511-8758	79,100	3,500	82,600
092	Submersible Station	Lexington	KY	Fayette	40511-8832	156,400	5,000	161,400
093	Submersible Station	Lexington	KY	Fayette	40511-8817	128,800	5,000	133,800
094	Submersible Station	Lexington	KY	Fayette	40511-9073	174,800	5,000	179,800
095	Submersible Station	Lexington	KY	Fayette	40511	156,400	0	156,400
096	Town Branch WWTP	Lexington	KY	Fayette	40511-2061	102,709,800	1,342,000	104,051,800
097	West Hickman WWTP Fire Station # 1 (Central Communication Bldg./ Mechanical/Maintenance/ Fire Prevention Office/Emergency Generator/Trailer (plan	Nicholasville	KY	Jessamine	40356-8582	83,932,400	427,000	84,359,400
098	Generator/Trailer (plan	Lexington	KY	Fayette	40508-1827	5,304,700	2,495,705	7,800,405
099	Woodworking Shop	Lexington	KY	Fayette	40508-1828	729,000	52,000	781,000
100	Storage Building	Lexington	KY	Fayette	40507-2118	71,500	0	71,500
101	Fire Station # 2	Lexington	KY	Fayette	40505-2618	874,500	69,300	943,800
102	Fire Station # 3	Lexington	KY	Fayette	40508-2628	488,500	44,800	533,300
103	Fire Station # 4	Lexington	KY	Fayette	40508-1217	365,200	30,600	395,800
104	Fire Station # 5	Lexington	KY	Fayette	40508-3024	740,600	54,500	795,100
105	Fire Station # 6	Lexington	KY	Fayette	40508-3216	940,500	69,000	1,009,500
106	Fire Station # 7	Lexington	KY	Fayette	40502-3407	588,900	46,000	634,900
107	Fire Station # 8	Lexington	KY	Fayette	40505-1403	562,050	49,700	611,750
108	Fire Station # 9	Lexington	KY	Fayette	40502-1311	562,050	46,300	608,350
109	Fire Station # 10/Storage	Lexington	KY	Fayette	40511	623,100	56,500	679,600
110	Fire Station # 11	Lexington	KY	Fayette	40504-3705	581,500	44,100	625,600
111	Fire Station # 12	Lexington	KY	Fayette	40503-1824	553,800	43,100	596,900
112	Fire Station # 13	Lexington	KY	Fayette	40511	354,800	37,000	391,800
113	Fire Station # 14	Lexington	KY	Fayette	40504-2116	573,350	44,900	618,250
114	Fire Station # 15	Lexington	KY	Fayette	40503-3609	573,350	46,400	619,750
115	Fire Station # 16	Lexington	KY	Fayette	40515-3800	728,600	55,000	783,600
116	Fire Station # 17	Lexington	KY	Fayette	40516-9717	440,500	37,100	477,600
117	Fire Station # 18	Lexington	KY	Fayette	40515-9319	462,700	34,600	497,300
118	Fire Station # 19	Lexington	KY	Fayette	40511-9551	499,200	40,700	539,900
119	Fire Station # 20	Lexington	KY	Fayette	40503-2733	1,058,100	40,700	1,098,800
120	Fire Station # 21	Lexington	KY	Fayette	40509-1256	1,031,900	69,000	1,100,900
121	Fire Station # 22	Lexington	KY	Fayette	40515-6336	1,031,900	69,000	1,100,900
122	Fire Station # 23	Lexington	KY	Fayette	40516-9721	559,300	62,000	621,300
123	Training Tower/Training Center/Sprinkler Bldg./Smoke Bldg./Fire Training Center Firing Range House # 1/Fire Range House #2/Firing Range	Lexington	KY	Fayette	40504-1161	2,400,650	288,000	2,688,650
124	Trailer	Lexington	KY	Fayette	40513-9733	180,200	23,000	203,200
125	Day Treatment Center Annex	Lexington	KY	Fayette	40504-1107	327,000	52,500	379,500
126	Coleman House	Lexington	KY	Fayette	40504-1172	1,052,100	126,500	1,178,600
127	Day Treatment Center	Lexington	KY	Fayette	40504-1172	3,845,300	237,000	4,082,300



Loc-ID	Address	City	St/Prv	County	Post-Code	Values		
						Real Property	Personal Property	Total Insured Value
128	Public Safety Op Center	Lexington	KY	Fayette	40504-1107	10,700,000	7,000,000	17,700,000
129	Family Care Center	Lexington	KY	Fayette	40504-1172	7,386,000	895,400	8,281,400
130	Office Area/Stalls/Arena/Hay Barn	Lexington	KY	Fayette	40508-1341	443,500	35,000	478,500
131	Police Headquarters	Lexington	KY	Fayette	40507-1318	9,746,800	1,518,804	11,265,604
132	Police Roll Call West	Lexington	KY	Fayette	40504-1019	2,558,100	231,000	2,789,100
134	Police Roll Call East ( Leased )	Lexington	KY	Fayette	40517-3260	0	95,000	95,000
135	Armory / Gymnasium	Lexington	KY	Fayette	40504-1019	2,086,700	225,000	2,311,700
136	Canine Building	Lexington	KY	Fayette	40504-1127	141,100	33,000	174,100
137	Police Communications Building	Lexington	KY	Fayette	40510-9673	1,928,700	53,000	1,981,700
138	Police Safety City	Lexington	KY	Fayette	40504-1172	248,500	63,000	311,500
139	Detention Center (New)/Storage Building	Lexington	KY	Fayette	40510-9689	78,639,100	1,415,000	80,054,100
140	Police Activity League Office	Lexington	KY	Fayette	40517-3608	0	29,000	29,000
141	Community Action Kitchen	Lexington	KY	Fayette	40511-1827	260,700	0	260,700
142	Community Action Council	Lexington	KY	Fayette	40511-1827	1,940,900	4,000	1,944,900
144	Community Center, Gymnasium	Lexington	KY	Fayette	40508-1163	3,618,000	0	3,618,000
145	Concessions/Restroom/Property in the Open	Lexington	KY	Fayette	40509-9450	297,600	318,798	616,398
146	Bell House/Carriage House	Lexington	KY	Fayette	40508	3,706,400	200,000	3,906,400
147	Swimming Pool/Property in the open	Lexington	KY	Fayette	40515-1015	345,600	61,300	406,900
148	Community Center	Lexington	KY	Fayette	40508-2800	3,688,100	288,800	3,976,900
149	Louisa House Gymnasium/rect	Lexington	KY	Fayette	40505-3629	2,632,500	0	2,632,500
150	Center/Carriage House/Property in the Open/ <b>Custom Shade Addition</b>	Lexington	KY	Fayette	40505-3629	2,068,237	258,987	2,327,224
151	Filter Building And Pump House/Swimming Pool/Pool	Lexington	KY	Fayette	40505-3300	1,906,700	224,400	2,131,100
152	House/Baseball Concessions	Lexington	KY	Fayette	40508-1693	1,219,600	53,200	1,272,800
153	Community Center	Lexington	KY	Fayette	40505-2137	1,150,600	251,387	1,401,987
154	Swimming Pool/Children's Pool/Pool House/Batting Cage/Maintenance/Property in the Open	Lexington	KY	Fayette	40508-1342	350,000	98,905	448,905
155	Property In The Open	Lexington	KY	Fayette	40508-1075	1,004,800	46,800	1,051,600
156	Swimming Pool/Pool House/Baseball Concessions Maintenance Building/Orear	Lexington	KY	Fayette	40508-1023	548,500	598,400	1,146,900
157	Community Center	Lexington	KY	Fayette	40508-1481	5,102,800	232,000	5,334,800
158	Morton House	Lexington	KY	Fayette	40508-1674	1,075,500	40,800	1,116,300

Loc ID	Address	City	State	County	Post Code	Values		
						Real Property	Personal Property	Total Insured Value
159	Bathroom Pavilion/Property in the Open	Lexington	KY	Fayette	40502-2758	150,300	66,800	217,100
160	Community Center/Property in the Open	Lexington	KY	Fayette	40517-3196	564,200	221,460	785,660
161	Concessions And Restroom	Lexington	KY	Fayette	40504-3407	71,000	30,900	101,900
162	The Kitchen/Property in the Open	Lexington	KY	Fayette	40507-1031	717,000	200,000	917,000
163	Community Center	Lexington	KY	Fayette	40511	255,200	72,800	328,000
164	Community Center	Lexington	KY	Fayette	40511	190,600	37,600	228,200
165	Maintenance Building/Property in the Open	Lexington	KY	Fayette	40505	201,600	228,718	430,318
166	Boat House Restroom/Park Maintenance Office, Scout Headquarters/Property in the Open	Lexington	KY	Clark	40509-9423	470,200	198,600	668,800
167	Clubhouse/Maintenance Building	Lexington	KY	Fayette	40511-9083	1,785,700	345,000	2,130,700
168	Restroom And Concessions/Property in the Open	Lexington	KY	Fayette	40505-2714	158,000	161,729	319,729
169	Community Center	Lexington	KY	Fayette	40502-1529	1,437,700	77,400	1,515,100
170	Property In The Open	Lexington	KY	Fayette	40517-2336	0	290,814	290,814
171	Maintenance Building/Clubhouse	Lexington	KY	Fayette	40509-1822	1,616,700	143,400	1,760,100
172	Property In The Open	Lexington	KY	Fayette	40502-3548	0	94,600	94,600
173	Neighborhood Center	Lexington	KY	Fayette	40508-3254	120,900	52,900	173,800
174	Community Center	Lexington	KY	Fayette	40505-1676	243,900	46,300	290,200
175	Community Center/Property in the Open	Lexington	KY	Fayette	40511-1576	245,900	231,000	476,900
176	Concessions And Restroom/Property in the Open	Lexington	KY	Fayette	40505-1917	61,900	121,400	183,300
177	Pro Shop And Clubhouse	Lexington	KY	Fayette	40517-1429	71,300	20,000	91,300
178	Property In The Open	Lexington	KY	Fayette	40517-1509	0	68,400	68,400
179	Community Center/Concessions & Restroom	Lexington	KY	Fayette	40511-2007	394,800	66,942	461,742
180	Community Center	Lexington	KY	Fayette	40511-1111	212,600	53,800	266,400
181	Field Concessions And Restrooms/2 Field Concessions & Restrooms/Property in the Open	Lexington	KY	Fayette	40513-9700	564,300	847,631	1,411,931
182	Rental House	Lexington	KY	Fayette	40513-9700	140,500	0	140,500
183	Property In The Open	Lexington	KY	Fayette	40507-1380	0	225,000	225,000
184	Swimming Pool/Pool House/Park Administration/Turf Operations	Lexington	KY	Fayette	40504-2709	2,246,700	223,800	2,470,500
185	Center/Pro Shop Restroom Pavilion	Lexington	KY	Fayette	40509-2354	120,700	46,400	167,100
186	House/ Nature Center/Prather House	Lexington	KY	Fayette	40515-9536	2,808,100	32,500	2,840,600

Loc ID	Address	City	St/Pr	County	Post Code	Real Property Value	Personal Property	Total Insured Value
	Ruth Concession/Park Restroom/Cal Ripken Concessions/Miracle League Pavilion/Miracle League Ball Field/Tennis Building/Swimming Pool/Children's Pool/Pool House/Property in the Open	Lexington	KY	Fayette	40503-3579	3,425,000	1,347,819	4,772,819
187	300 West Reynolds Road	Lexington	KY	Fayette	40503-3579	3,425,000	1,347,819	4,772,819
188	424 Speigle Street Crate House/Car	Lexington	KY	Fayette	40508-2440	0	72,400	72,400
	Storage/Bathroom & Pro Shop/Swimming Pool/Children's Pool/Pool House/Maintenance Building	Lexington	KY	Fayette	40517-2820	4,438,900	294,350	4,733,250
189	1400 Gainesway Drive	Lexington	KY	Fayette	40517-2820	4,438,900	294,350	4,733,250
190	133 Midland Avenue Community Center/Property in the Open	Lexington	KY	Fayette	40507	0	485,000	485,000
191	2077 Cambridge Drive (Upper)/Batting Cage (Upper)/Maintenance Building/Baseball Announcer & Storage/Concessions & Restroom (Lower)/Batting Cage (Lower) and Property in the Open/ <b>Shade Structure Addition</b>	Lexington	KY	Fayette	40504-1923	357,800	88,750	446,550
192	650 Southpoint Drive Community Center	Lexington	KY	Fayette	40515-6350	799,695	657,469	1,457,164
193	1033 Saint Martins Avenue Concessions And Restroom	Lexington	KY	Fayette	40511-2203	334,300	68,400	402,700
194	1618 Maywick View Lane Community Center	Lexington	KY	Fayette	40504-2112	203,100	56,300	259,400
195	457 Lakewood Drive Skateboard Park/Maintenance & Restroom Building/Swimming Pool/Children's Pool/Dividing Pool/Woodland Aquatic Center South Base	Lexington	KY	Fayette	40509	141,700	48,800	190,500
196	601 East High Street Maintenance/Concessions & Restroom	Lexington	KY	Fayette	40502-1767	2,880,100	95,300	2,975,400
197	600 Laramie Drive Pavilion	Lexington	KY	Fayette	40503-1757	496,500	50,700	547,200
198	625 Hill N Dale Road Restrooms/Aquatic Center Filter/Swimming Pool/Children's Pool/Aquatic Center Pool/Park Property in the Open	Lexington	KY	Fayette	40503-2116	3,284,100	575,557	3,859,657
199	416 Rebrmann Lane Nature Center Landscaping Building/Barn #4/Barn #3/ Barn #2	Lexington	KY	Fayette	40504-1163	178,600	61,000	239,600
200	3560 Shamrock Lane Rental House	Lexington	KY	Fayette	40511	2,051,700	185,200	2,236,900
201	3561 Shamrock Lane Shed Row Building/Maintenance/Old Dairy Barn #1	Lexington	KY	Fayette	40511-9101	182,200	0	182,200
202	3544 Shamrock Lane Dairy Barn #1	Lexington	KY	Fayette	40511-9101	2,007,400	252,100	2,259,500

Loc ID	Address	City	ST/Pr	County	Post Code	Values		Personal Property	Total Insured Value
						Real Property	Personal Property		
203	Chaney Residence	Lexington	KY	Fayette	40511-8970	280,100	0	280,100	280,100
204	Horse Arena	Lexington	KY	Fayette	40511-9100	2,513,500	55,000	2,568,500	2,568,500
205	Old Extension Exposition Center	Lexington	KY	Fayette	40511-9100	332,060	3,500	335,560	335,560
206	Barn/House	Lexington	KY	Fayette	40516-9710	573,600	0	573,600	573,600
207	Property In The Open	Lexington	KY	Fayette	40514-2401	0	68,400	68,400	68,400
208	Property In The Open	Lexington	KY	Fayette	40504-2336	0	58,000	58,000	58,000
209	Property In The Open	Lexington	KY	Fayette	40515-1217	0	61,400	61,400	61,400
210	Front House/Back House	Lexington	KY	Fayette	40509-4316	250,000	0	250,000	250,000
211	Building Maintenance Office	Lexington	KY	Fayette	40504-1123	1,770,500	280,700	2,051,200	2,051,200
212	Office And Service	Lexington	KY	Fayette	40510-9665	5,629,600	1,290,000	6,919,600	6,919,600
213	Garage/Truck Wash	Lexington	KY	Fayette	40508-1802	5,708,000	77,980	5,785,980	5,785,980
214	Lyric Theatre	Lexington	KY	Fayette	40507-1151	11,131,500	0	11,131,500	11,131,500
215	Courthouse Garage	Lexington	KY	Fayette	40505-4205	1,171,500	159,800	1,331,300	1,331,300
216	North Base Maintenance	Lexington	KY	Fayette	40507-1459	11,706,000	755,000	12,461,000	12,461,000
217	Phoenix Center	Lexington	KY	Fayette	40505-2772	301,700	4,500	306,200	306,200
218	Rainbow House	Lexington	KY	Fayette	40509-1419	287,200	0	287,200	287,200
219	Solomon House	Lexington	KY	Fayette	40507-1483	6,087,800	0	6,087,800	6,087,800
220	Downtown Art Center/Alfalfa Restaurant	Lexington	KY	Fayette	40507-1167	4,078,900	0	4,078,900	4,078,900
221	Arts Place	Lexington	KY	Fayette	40507-1310	4,237,800	15,000	4,252,800	4,252,800
222	Kentucky Theatre	Lexington	KY	Fayette	40507-1310	1,505,800	0	1,505,800	1,505,800
223	State Theatre	Lexington	KY	Fayette	40508	3,109,650	0	3,109,650	3,109,650
224	Hope Center	Lexington	KY	Fayette	40507-1206	4,041,600	275,000	4,316,600	4,316,600
225	Childrens Museum	Lexington	KY	Fayette	40507-1135	6,436,400	146,000	6,582,400	6,582,400
226	Carnegie Literacy Center	Lexington	KY	Fayette	40507	0	393,804	393,804	393,804
227	Windstream	Lexington	KY	Fayette	40507	6,400,000	0	6,400,000	6,400,000
228	Wolf Run WWWS Tank	Lexington	KY	Fayette					
229	New Senior Citizens Center	Lexington	KY	Fayette		10,460,000	450,000	10,910,000	10,910,000
230	Isaac Murphy Memorial Garden/Trail	Lexington	KY	Fayette		740,855	0	740,855	740,855
231	Masteron Station Park	Lexington	KY	Fayette					
232	Restrooms & Picnic Shelter, 4-H Barn and Ag Expo Complex,	Lexington	KY	Fayette					
233	Lions Club Structures	Lexington	KY	Fayette		1,572,405	0	1,572,405	1,572,405
234	Wellington Park Shelter	Lexington	KY	Fayette		49,875	0	49,875	49,875
235	Red Mile Pump Station	Lexington	KY	Fayette		259,000	0	259,000	259,000
236	Hayley Pike Pump Station	Lexington	KY	Fayette		366,314	0	366,314	366,314
237	Walnut Grove Pump Station	Lexington	KY	Fayette		80,000	0	80,000	80,000
238	Fire Station #2	Lexington	KY	Fayette		5,100,000	250,000	5,350,000	5,350,000
239		Lexington	KY	Fayette					715,609,616

Updated Vehicle Values	\$95,062,174
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LocID	Address	City	County	Post Code	Real Property	Values	Personal Property	Total Insured Value
							Updated	
							Traffic Control	\$39,536,500
							Animals	\$308,950
							Fine Arts	\$5,000,000
							EDP	
							Equipment Rolling	\$19,347,949
							Stock/Contrators	
							Equipment	\$6,772,356
							Total	881,637,545

## PROPERTY DEFINITIONS

**Actual Cash Value:** This valuation method pays for the cost to repair or replace damaged property with like kind and quality, less reasonable deductions for wear and tear, deterioration, and economic obsolescence.

**Agreed Value:** This coverage is used to remove the coinsurance requirement for covered property. With it your company agrees that the amount of coverage purchased is adequate, and any coinsurance requirements are waived if the limit of insurance equals the agreed value.

**Basic Cause of Loss:** This coverage is used to provide protection for the following causes of loss: fire, lightning, explosion, windstorm, hail, smoke (except from agricultural smudging or industrial operations), aircraft, vehicles, riot, civil commotion, vandalism, sprinkler leakage, sinkhole collapse, and volcanic action.

**Broad Cause of Loss:** This coverage is used to provide protection for the following causes of loss: fire, lightning, explosion, windstorm, hail, smoke (except from agricultural smudging or industrial operations), aircraft or vehicles, riot, civil commotion, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, breakage of glass, falling objects, weight of snow, ice or sleet (except for damage to gutters, downspouts or personal property outside of buildings), and limited water damage.

**Business Income:** This coverage is used to insure against loss of income that you experience because of a suspension of your business when insured property has been damaged by a "covered" peril. If indicated on the proposal, it may also include additional expenses needed to continue business. Refer to the specific Business Income form for any set "period of restoration" limitations.

**Coinsurance:** A policy may contain a coinsurance clause requiring that the limit of coverage be a minimum percentage (usually 80%) of the insurable value of your property. If the amount of insurance carried is less than what is required by this clause, any claim payment may be reduced by the same percentage as the deficiency. For example, covered property worth \$100,000 may require a minimum of 80%, or \$80,000, of coverage for compliance with the policy's coinsurance requirement. If only \$60,000 of coverage is carried (25% less than the required \$80,000), then any loss payment would be reduced by 25%.

**Earthquake:** This coverage is used to provide protection for loss due to earth movement including earthquake shocks and volcanic eruption.

**Flood:** This coverage is used to provide coverage against loss due to water damage arising from flooding, surface water, tides, tidal waves, and the overflow of any body of water.

**Functional Replacement Cost:** This valuation method is used in situations where replacing damaged or destroyed property is impractical, impossible, or unnecessary. It affords you the ability to substitute property which is substantially different in value or cost from the original property. Consequently, you are allowed to carry policy limits lower than what would normally be required.

**Guaranteed Replacement Cost:** When added to your policy, this endorsement guarantees to repair or rebuild a covered building even if the reconstruction costs are greater than the amount of coverage specified for that building.

**Replacement Cost:** This valuation method pays for the cost to repair or replace damaged items with like kind and quality without deduction for depreciation. This is important since you could face a substantial loss if you must replace property at today's prices but receive only the depreciated value of the property that was destroyed.

**Special Cause of Loss:** This coverage will protect covered property against direct physical loss arising from any cause not specifically "excluded". Example of exclusions are flood, earthquake, rust, corrosion, fungi, mold, damage to property being worked on, artificially generated electrical currents, damage by rain, snow, or sleet to property in the open. Refer to the special cause of loss form for additional exclusions.

**Vacancy:** All property policies include a condition that limits or reduces coverage when a building is vacant or considered vacant as defined by the insurance policy. For certain causes of loss, coverage is completely eliminated. The policy can include wording that defines a building as considered vacant beyond a certain period of time or a certain percentage of the square footage of the building is not used to conduct customary operations. In most cases, policies or coverage forms that apply to commercial property require additional premium and endorsement in order for insurance coverage to continue during a period of vacancy.

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## AVIATION

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Named Insured: Lexington Fayette Urban County Government

Carrier Name: Old Republic Insurance Company

A.M. Best Rating: A+: XII as of April 25, 2018

**Regular Location of Aircraft:**

The aircraft are regularly based and hangared at the following location:  
Blue Grass Airport, Lexington, KY

Purpose of Use: Law Enforcement

**Aircraft Description:**

FAA#	Make & Model	Total Seats Including Crew	Insured Value (Hull Coverage)	Deductibles Not in Motion	Deductibles In Motion
N911LP	Bell OH-58	4	\$375,000	\$0	1.0% of value
N912LP	Bell OH-58	4	\$377,500	\$0	1.0% of value

**Extra Equipment (not included in Hull Value)**

Type	Value
FLIR	\$350,000
SX30 Nightsun	\$ 80,000
Mobile Data Com	\$ 17,000
Technisonic Radio	\$ 44,000
Tait Radio	\$ 2,500
Video Recorder	\$ 5,000
Police Radio	\$ 2,500

**Extra Equipment Deductibles:**

While on the Aircraft: \$2,500  
While NOT on the Aircraft: \$1,000  
These deductibles are separate from the aircraft hull deductibles.

**Limits of Liability:**

Single Limit Bodily Injury, Including  
Passengers and Property Damage \$20,000,000 Each Occurrence

Expenses for Medical Services \$ 10,000 Each Person  
\$ 40,000 Each Occurrence

**Included Coverages:**

Medical Payments Owned/Nonowned Aircraft- each passenger including crew \$ 10,000  
Non-Owned Aircraft Liability each occurrence 7 seats (See AV431) \$ 20,000,000

Products for Sale of Aircraft, Parts and Maintenance (See AV431)	\$ 20,000,000
Property Damage to Non-Owned Aircraft- 7 seats- Deductible- NIL (See AV431)	\$ 100,000
Aircraft Personal Injury Liability (including premises) any one offense/aggregate	\$ 1,000,000
Guest Voluntary Settlement- Owned Aircraft- each passenger, including crew	\$ 250,000
Spares- each occurrence (See AV431)	\$ 150,000
Damage to non-owned Hangars- each occurrence (See AV431)	\$ 100,000
Emergency Foaming- see occurrence (See AV431)	\$ 500,000
Emergency Landing (See AV431)	\$ 500,000
Search and Rescue- each occurrence (See AV431)	\$ 500,000
Extra Expense for Temporary Replacement Parts (See AV431)	\$ 50,000
Baggage/Personal Effect- each passenger including crew- (See AV431)	\$ 10,000
Unearned Premium Insurance	

Emergency Landing: If the aircraft is forced to land away from an airport due to an emergency, the insurance company will reimburse reasonable expenses (up to the insured value of the aircraft) to have the aircraft transported to the nearest airport, even if there is no physical damage to the aircraft.

Automatic Insurance for Newly Acquired Aircraft (See AV431) – Max Value \$375,000.

No Claims Bonus (AV431) If there are no claims made under coverage F and if the policy is renewed with the company, an amount equal to 10% of the earned premium under coverage F will be returned to the insured.

**Pilots:**

Any Pilot approved by the Chief Pilot provided that they are properly certificated, rated and qualified under the current FAA regulations which apply to the operation of the aircraft.

**Territory:**

Whilst the aircraft insured is in the United States of America (excluding Alaska), Canada or Mexico, or while the aircraft is being transported between ports within the territory.

**Forms/Endorsements:**

- AV48C War, Hi-Jacking and Other Perils Exclusion Clause
- 2000a Date Recognition Exclusion Clause Endorsement
- AV216 Extended Coverage – Dual Flight Instruction – Lunsford Air
- AV310 Helicopter Amendatory Endorsement
- AV337 Territorial Exclusion Endorsement
- AV410 Premises Liability
- AV421 Passenger Voluntary Settlement Endorsement
- AV431 Limited Enhanced Coverage Endorsement
- AV439 Aircraft Personal Injury Liability Endorsement
- AV460 Mechanical Breakdown- Clarification
- AV464 Aircraft Turbine Engine Endorsement
- AV512 Pilots Endorsements
- AV730 Purpose of Use Endorsement as Required by the Named Insured
- GFMEEX Mexico- Warning
- CTXGA Exclusion of Certified Acts of Terrorism
- PA313 Asbestos Exclusion Endorsement



## EXCESS WORKERS' COMPENSATION

Named Insured: Lexington Fayette Urban County Government

Carrier Name: Safety National Casualty Corporation

A.M. Best Rating: A+: XV as of September 15, 2017

**Contract Terms**

**Specific Excess Only**

Liability Period	07/01/2018- 07/01/2019
Payroll Reporting Period	07/01/2018 - 07/01/2019
Payroll	\$193,295,815
Manual Premium	\$5,166,046
Standard Premium	\$5,166,046
Self-Insured Retention	\$1,000,000
Specific Limit	Statutory
Employers Liability Limit	\$2,000,000 per Occurrence/ \$2,000,000 Aggregate
Premium Rate	\$0.2061 (Rate \$100 Payroll)
Deposit Premium	\$398,383
Minimum Premium	\$358,545
Pay Plan	Annual Payment
Audit Type	Voluntary

**Coverage Summary**

This coverage is used to comply with the Workers' Compensation Coverage required by your state law. Under this requirement, an employee can be compensated if they are injured while working for you, regardless of your negligence as an employer.

**Endorsements**

*(See policy for a complete list of coverage limitations and exclusions.)*

\*Quote expires 1 day after Payroll Reporting Period effective date for each Quote Option

Code	Classification	Exposure
0106	Tree Pruning, Spraying, Repairing & Drivers	\$180,290
5191	Office Machine / Appl Installation, Inspection, Adjustment, or Repair	\$242,004
5506	Street or Road Construction: Paving or Repaving & Drivers	\$1,535,224
5509	Street and Road Construction	If any
6306	Sewer Construction All Operations	\$348,375
7580	Sewage Disposal Plant Operation & Drivers	\$6,809,729
7610	Radio or Television Broadcasting Station - All Employees & Clerical, and Drivers	\$679,487
7710	Firefighters & Drivers	\$52,641,367
7720	Police Officers & Drivers	\$58,763,655
8380	Automobile Service or Repair Center & Drivers	\$2,472,765
8742	Salesperson, Collectors, or Messengers - Outside	\$2,508,132
8810	Clerical Office Employees NOC	\$31,947,161
8820	Attorney - All Employees & Clerical, Messengers, Drivers	\$1,380,444
8832	Coroner & Coroner Employee	\$669,958
8864	Social Service Organization - All Employees & Salesperson, Drivers	\$495,216
8869	Child Day Care Center - Professional Employees and Clerical, Salespersons	\$1,390,400
9015	Building - Operation by Owner or Lessee	\$3,290,487
9063	YMCA, YWCA, YMHA or YWHA Institution - All Employees & Clerical	\$1,841
9101	Library/Museum	If any
9102	Parks NOC - All Employees & Drivers	\$9,690,348
9403	Garbage, Ashes or Refuse Collection & Drivers	\$9,909,268
9410	Municipal, Township, County or State Employee NOC	\$8,339,664
	<b>Totals</b>	<b>\$193,295,814</b>

## NETWORK SECURITY (“CYBER”) LIABILITY

Named Insured: **Lexington-Fayette Urban Co Government**  
 Carrier Name: **National Union Fire Insurance Company of Pittsburgh, PA**  
 A.M. Best Rating **A:XV as of May 23, 2017**

**Limit of Liability - \$2,000,000**

Coverage Section	Sublimit	Retention	Retroactive Date	Continuity Date
Media Content Insurance	\$2,000,000	\$75,000	Full Prior Acts	07/01/2014
Security and Privacy Liability	\$2,000,000	\$75,000	Full Prior Acts	07/01/2014
Regulatory Action Sublimit	\$2,000,000			
Network Interruption Insurance	\$2,000,000	\$75,000	Not Applicable	07/01/2014
Waiting Period	12 hours			
Event Management Insurance	<b>Refer to Event Management/ Electronic Data Sublimits Endorsement</b>	\$75,000	Not Applicable	07/01/2014
Cyber Extortion Insurance	\$2,000,000	\$75,000	Not Applicable	07/01/2014

### Coverage Summary

Each policy varies in the coverage provided, but most defend the organization and pay covered claims involving allegations of “breach of privacy”; “unauthorized access”; and “failure of IT security”.

### Notification Costs

An important additional insurance benefit is reimbursement to the organization for the costs to notify persons who are required to receive formal notice in the event of exposure of personal information. This is a requirement in most states.

### Commonly Used Insuring Clauses

Network Security/Privacy; Media Content Liability; Cyber Extortion; Regulatory Liability; Extra Expense/Business Interruption; Remediation Expenses; Notification costs Reimbursement; Computer Restoration Expenses; and various other clauses, depending upon the insurer.

### Claims Made Basis

Covers a claim made during the policy period for a loss that happened after the retroactive date.

### Endorsements

(See policy for a complete list of coverage limitations and exclusions.)

Coverage Form – Specialty Risk Protector 101013 (12/13)

**Additional Conditions / Endorsements / Exclusions:**

Form # 101013 12/13 – SRP General Terms and Conditions

Form # 101017 12/13 – Cyber Extortion Coverage Section

Form # 101018 12/13 – Event Management Coverage Section

Form # 101019 12/13 – Media Content Coverage Section (Claims Made)

**Form #115982 12/13 – ReputationGuard Coverage Section**

Form # 101021 12/13 – Network Interruption Coverage Section

Form # 101024 12/13 – Security and Privacy Coverage Section

Form # 125593 03/17 – Cyberedge Loss Prevention Services Endorsement

Form # 115808 12/13 – Cyberedge Cyber Media Coverage Endorsement

Form # 105567 05/10 – Criminal Reward Coverage Extension

Form # 121388 03/16 – Bitcoin Ransom Endorsement

Form # 117896 05/14 – Cyberterrorism Coverage Endorsement

Form # 107376 11/10 – E-Discovery Consultant Services Coverage Endorsement

Form # 117896 07/14 – Privacy Event Services Coverage Endorsement (Affected Person Limit)  
1,000,000 Affected Persons with 100 Minimum Affected Persons

**Form # 115760 08/13 – Event Response/Electronic Data Sublimits Endorsement (For use with Affected Person Limit Endorsement) Electronic Data: 2,000,000; Event Response: 1,000,000**

**Form #121826 08/16 – System Failure Coverage Endorsement (IT Providers)**

**System Failure Sublimit – Full Limit**

**IT Security Failure Sublimit – Full Limit**

**OSP Security Failure Sublimit - \$1,000,000**

**IT System Failure Sublimit – Full Limit**

**OSP System Failure Sublimit - \$1,000,000**

**System Failure Waiting Hours Period – 24 hours**

Form # 105565 05/10 – Retention Amendatory Endorsement

Form # 118108 08/14 – Dispute Resolution Provision Amendatory Endorsement (60 Days Cooling Off)

Form # 115987 12/13 – PCI-DSS Assessment Coverage Endorsement (Sublimit) **\$1,000,000\***  
**\*Can be removed pending confirmation of compliance**

Form # 110639 02/12 – Other Insurance Provision Amendatory Endorsement Primary to Specific Policy  
Property Policy: MK589, AFM; Lexington Fayette Urban County Government

Form # 103703 01/10 - Kentucky Amendatory Endorsement

Form # 52145 08/12 - Kentucky Cancellation-Nonrenewal Amendatory Endorsement

Form # 119679 09/15 - Economic Sanctions Endorsement

Form # 78859 10/01 - Forms Index Endorsement

## POLLUTION LEGAL LIABILITY

Named Insured: **Lexington-Fayette Urban Co Government**  
 Carrier Name: **Illinois Union Insurance Company (Non-Admitted)**  
 A.M. Best Rating: **A++: XV as of October 5, 2017**

### Coverage Form

- Claims Made Form
  - Landfill Retroactive Date: July 1, 2014
  - All Other Retroactive Date: July 1, 2011

	Limit of Liability	Self-Insured Retention
Per Pollution Condition or Indoor Environmental Condition	\$1,000,000	\$75,000
Aggregate All Pollution Conditions or Indoor Environmental Condition	\$1,000,000	

**Policy Form: PF-44887a (01/17) Premises Pollution Liability Insurance Policy**

### Additional Conditions / Endorsements / Exclusions:

PF-44967 (09/14) - Premium Earn-Out (Staggered - One Year - Acceleration)  
 Endorsement - 25% Minimum Earned Premium

PF-44898a (01/17) Automatic Acquisition and Due Diligence (Fungi) Endorsement

- a. 60 days
- b. Additional premium schedule
  - i. Property Type: municipal buildings. A/P: \$250 (\$250 minimum)
  - ii. Property Type: vacant land/ green space. A/P: \$250 (\$250 minimum)

PF-44957 (09/14) Notice of Cancellation Amendatory (Generic Time Frame) Endorsement - 90 days NOC

PF-44968 (09/14) Prior Claims Exclusionary (Broad) Endorsement

PF-46063a (01/17) Public Entity Coverage Amend (Sewage Backup)

- a. Covered Operations Retro Date: 7/1/2011
- b. Per Operations Condition Sublimit of Liability: \$ 1,000,000
- c. Aggregate Operations Condition Sublimit of Liability: \$1,000,000
- d. Per Operations Condition Self-Insured Retention: \$75,000
- e. Sewage Backup Sublimits of Liability - \$1,000,000 Per Backup Condition/Aggregate - subject to a \$100,000 Self-Insured Retention

PF-44913 (09/14) - Covered Locations Schedule Endorsement

Per SOV on file - retroactive date 7/1/2011  
 Hailey Pike Landfill - 4172/4253 Hedger Lane Lexington, KY - retroactive date 7/1/2014  
 Old Frankfort Pike Landfill- 1625/1631 Old Frankfort Pike Lexington, KY - retroactive date 7/1/2014

**Coverage Summary**  
 Coverage A - Pollution Conditions or Indoor Environmental Conditions Coverage (including Premises Pollution Condition Liability; Premises Indoor Environmental Condition Liability; Premises First-Party Claims)  
 Coverage B - Transportation Coverage (including Transportation Liability; Transportation First-Party Claims)  
 Coverage C - Non-Owned Disposal Site Coverage Non-Owned Disposal Sites Liability  
**Endorsements**  
*(See policy for a complete list of coverage limitations and exclusions.)*



**Forms/Endorsements / Exclusions (Continued)**

Unintentional Failure to Disclose Hazards or Occurrences SNGL 021  
Co-Employee Exclusion Deleted SNGL 012  
Exclusion – Failure to Supply CG 22 50  
Exclusion – Injury to Volunteer Firefighters CG 22 56  
Deletion of Premium Audit Condition SNGL 053  
Designated Additional Insured (Broad Form) SNGL 022  
Governmental Subdivisions Endorsement CG 24 09  
Employee Benefits Liability Coverage with Self-Insured Retention SNGL 054  
Exclusion – Access or Disclosure of Confidential or Personal Information and Data-Related Liability CG 21 07  
Exclusion Coverage C – Medical Payments CG 21 35  
Knowledge of Occurrence SNGL 020  
Self-Insured Retention Endorsement SNGL 024  
Sexual Abuse or Molestation Coverage Manuscript  
Earlier Notice of Cancellation – 90 Days CG 02 24  
Contractual Liability – Railroads CG 24 17  
Boats CG 24 12  
Liquor Liability Exclusion Amendment CG 21 51  
TRIA Policyholder Disclosure Notice



## COMMERCIAL AUTOMOBILE

Named Insured: Lexington-Fayette Urban County Government

Carrier Name: Safety National Casualty Corporation

AM Best Rating: A+: XV as of September 15, 2017

**Coverage Description**

Symbol	<b>Liability -</b>	
1	Bodily Injury and Property Damage	\$2,000,000
2	Uninsured Motorists	Excluded
2	Underinsured Motorists	Excluded
5	<b>Medical Payments -</b> Each Person	Excluded
5	<b>PIP or Equivalent No-Fault</b> (\$ Deductible)	Statutory Minimum
	<b>Physical Damage Coverage</b> (see attached automobile schedule)	Excluded

**Includes:** *(those coverages with a checkmark)*

- Non-Owned Auto Liability
- Hired Auto Liability

**Retention - \$1,500,000 Auto Liability – Any One Accident**

**Forms/Endorsements/Exclusions:**

- Commercial Auto Coverage Form CA 00 01
- Self-Insured Retention Endorsement SNCA 022
- Public Entity Endorsement SNCA 029
- Broad Form Named Insured SNCA 038
- Unintentional Failure to Disclose Material Facts SNCA 028
- Unintentional Failure to Provide Notice of Accident or Loss SNCA 030
- Exclusion of Federal Employees Using Autos in Government Business CA 04 42
- Audio, Visual, & Data Electronic Equipment Coverage – Fire, Police & Emergency Vehicles CA 20 02
- Emergency Services – Volunteer Firefighters' and Workers' Injuries Excluded CA 20 30
- Silica Exclusion CA 23 95
- Amphibious Vehicles CA 23 97
- Public Transportation Autos CA 24 02
- Hired Autos Specified as Covered Autos you Own CA 99 16
- Waiver of Premium Audit Condition Manuscript
- Nuclear Energy Liability Exclusion IL 00 21
- Earlier Notice of Cancellation – 90 Days SNCA 024
- Knowledge of Occurrence SNCA 025
- UM/UIM, PIP, and/or Med Pay Coverage rejection forms

**Coverage Summary**

This policy can provide a combination of liability protection and physical damage coverage for loss due to damage to vehicles owned, maintained, or used by you. Additional coverages such as medical payments and uninsured motorist protection can be purchased to "customize" the policy to fit your business.

**Symbols**

- |                                       |  |
|---------------------------------------|--|
| 1 - Any auto                          | 6 - Owned autos subject to compulsory UM |
| 2 - Owned autos only                  | 7 - Specific described autos             |
| 3 - Owned PPT only                    | 8 - Hired autos only                     |
| 4 - Owned autos other than PPT        | 9 - Non-owned only to "No Fault"         |
| 5 - Owned autos subject to "No Fault" |  |

**Endorsements**

*(See policy for a complete list of coverage limitations and exclusions.)*

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## PUBLIC OFFICIALS & EMPLOYMENT PRACTICES LIABILITY

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Named Insured:      Lexington-Fayette Urban County Government  
Carrier Name:        Safety Specialty Insurance Company (Non-Admitted)  
A.M. Best Rating:    A+: XV as of September 15, 2017

Coverage Description	Limit
Each Wrongful Act	\$2,000,000
Annual Aggregate Limit	\$2,000,000

Retention	Amount
Each Wrongful Act (including LAE)	\$1,500,000

**Policy Form:**      POEPOF 0416 - Occurrence Form

Coverage Retention Form IL SIR 0416  
Mandatory State Forms  
Non-Stacking of Limits Endorsement - Form ILNONSTACK 0416  
Earlier Notice of Cancellation - 90 Days - ESM 003  
Knowledge of Occurrence - ESM 015

**Coverage Summary**

This coverage agreement provides protection against claims resulting from alleged breach of duty, negligence, error or omission while acting in their capacities

**Endorsements**

*(See policy for a complete list of coverage limitations and exclusions.)*

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## LAW ENFORCEMENT LIABILITY

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Named Insured:      Lexington-Fayette Urban County Government  
Carrier Name:        Safety Specialty Insurance Company (Non-Admitted)  
A.M. Best Rating:    A+: XV as of September 15, 2017

**Coverage Form: LEL Coverage Form (LELPOF 0416) – Occurrence Form**

Coverage Description	Limit
Annual Aggregate	\$2,000,000
Each Occurrence	\$2,000,000
Retention – Each Occurrence (including LAE)	\$1,500,000

Coverage Retention Form ILSIR 0416  
Mandatory State Forms  
Non-Stacking of Limits Endorsement – Form ILNONSTACK 0416  
Coverage of Basic First Aid Treatment – ESM 026  
Modified RICO Exclusion – ESM 027  
Earlier Notice of Cancellation – 90 Days – ESM 003  
Knowledge of Occurrence – ESM 014  
Punitive Damage Coverage – ESM 016

## EXCESS LIABILITY

Named Insured: Lexington-Fayette Urban County Government

Carrier Name: Safety National Casualty Corporation

A.M. Best Rating: A+: XV as of September 15, 2017

<u>Coverage</u>	<u>Limits</u>
Each Occurrence Limit (Other than Products/Completed Operations)	\$8,000,000
General Aggregate Limit	\$8,000,000

Commercial Excess Coverage For CX 00 01

**Terms / Conditions / Endorsements**

In addition to all exclusions in the underlying insurance, the following will also be excluded:

- Failure to Supply Manuscript
- Earlier Notice of Cancellation - 90 Days - XLM 003
- Knowledge of Occurrence - XLM 005

**Underlying Insurance**

**General Liability**

Each Occurrence	General Aggregate	Products/Completed Operations
\$2,000,000	\$4,000,000	\$4,000,000

**Automobile Liability**

Liability Limit
\$2,000,000

**Employers Liability**

Each Accident	Disease- Policy Limit	Disease - Each Employee
\$2,000,000	\$2,000,000	\$2,000,000

**Public Officials Liability**

Each Occurrence	Aggregate
\$2,000,000	\$2,000,000

**Law Enforcement Liability**

Each Occurrence	Aggregate
\$2,000,000	\$2,000,000

**Coverage Summary**  
 Excess Liability Insurance protecting against claims in excess of the limits of other primary policies.

**Endorsements**  
*(See policy for a complete list of coverage limitations and exclusions.)*

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## PREMIUM SUMMARY

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DESCRIPTION OF COVERAGE	EXPIRED PREMIUM	RENEWAL PREMIUM
Property	\$317,799.75	\$320,026.05
Commercial General Liability	\$81,705.00	\$81,705.00
Commercial Automobile Liability	\$182,465.00	\$182,465.00
Public Officials Liability	\$84,865.52	\$84,865.52
Law Enforcement Liability	\$49,165.15	\$49,165.15
Excess Liability	\$89,773.00	\$89,773.00
Excess Workers' Compensation	\$404,958.00	\$398,383.00
Aviation	\$28,962.00	\$30,772.00
Cyber Liability	\$28,563.00	\$29,717.00
Pollution Legal Liability	\$17,912.77	\$18,494.71
<b>Total Premium</b>	<b>\$1,286,169.19</b>	<b>\$1,285,366.43</b>

**Notes:**

1. All premiums include applicable taxes.
2. War and Terrorism coverage may be added to the Aviation Policy for an additional premium of \$1,343.
3. Terrorism may be added to the Pollution Legal Liability for 5% additional premium.
4. Commission percentage is 5% except on the Excess Workers' Compensation which is 3.5% and the Aviation which is 15% (Our office splits the Aviation commission with JSL Aviation). Commission is not paid on taxes or fees. The estimated commission for the premiums shown above for the renewal would be \$58,234.71. The dollar amount of the commission is based on actual earned premiums and may increase or decrease if there are endorsements or audits which are premium bearing.



**Additional Conditions / Endorsements / Exclusions:**

The following Notices will be added to the basic contract:

Chubb Producer Compensation Practices & Policies ALL-20887a (03/16)

Cyber Services for Incident Response – Notice to Policyholders PF-48259 (10/16)

Cyber Services for Loss Mitigation PF-48260 (10/16)

U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders PF-17914a (04/16)

Policyholder Disclosure Notice of Terrorism Insurance Coverage TR-19606d (01/15)

The following Endorsements will be added to the basic contract:

Signature Endorsement CC1k11i (02/18)

Trade or Economic Sanctions Endorsement PF-46422 (07/15)

KY Amendatory PF-48300 (10/16)

General Enhancement PF-49468 (10/16)

**Premium - \$21,748.77**

- To increase the limit to \$5,000,000 with a \$100,000 Retention would be an additional premium of \$21,775.64 for a total of \$43,524.41
- To increase the limit to \$10,000,000 with a \$250,000 Retention would be an additional premium of \$51,796.08 for a total of \$73,544.85

**Subjectivities**

- AIG application must be re-signed and dated within 60 days of binding
- Confirmation of PCI compliance if full PCI limit is desired
- Excess Warranty Statement signed if limit higher than \$2,000,000 is selected

**Pollution Legal Liability**

- To increase the limit to \$2,000,000 would be an additional premium of \$8,186.69 for a total of \$26,681.40
- To increase the limit to \$5,000,000 would be an additional premium of \$13,215.53 for a total of \$31,710.24

**Two Year Rate Commitment & Conditions Option on Excess Workers' Compensation:**

Deposit Premium - \$398,383

Minimum Premium - \$717,089 for the period of 07/01/2018 to 07/01/2020

Pay Plan - Annual Payment

Audit Type - Voluntary

If the below conditions are all met, Safety National agrees that there will be no change in premium rate per exposure for the 2019 Policy Period over the rates that have been applied to the 2018 Policy Period.

1. The SIR and Limits will remain as expiring per the 2018 Policy Period bound with Safety National.
2. No certified "act of terrorism", as defined and set forth under the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2015 (collectively, "the Act"), occurs during the 2018 Policy Period.
3. No significant change in exposure as applicable to the type of policy with "significant" being understood to mean a (+/-) 15% change in exposure for any of the Policies over that for the 2018 Policy Period bound with Safety National.
4. No significant change in underwriting exposure through development of, or acquisition of, non-core business, with "significant" being understood to be a change that is in excess of 5% for any Policy over that in place for 2018 Policy Period bound with Safety National. Safety National does consider any change in aircraft to be considered significant.
5. No material adverse change in the financial condition of the Insured, as determined by Safety National, over the 2018 Policy Period.

6. No new, individual incurred loss (DOI after 01/01/2018) during the 2018 Policy to exceed 50% of the Policy's applicable SIR/Retention amount with such losses to be valued as of 04/01/2019 or within 90 days prior to 07/01/2019.
7. No development of existing claims (DOI prior to 01/01/2018) to exceed 75% of the Policy's applicable SIR/Retention amount with such losses to be valued as of 04/01/2019 or within 90 days prior to 07/01/2019 excluding the following claims:
  - DOL - 01/27/2009 - \$1,434,807 Total Incurred (valued as of 02/07/2018)
  - DOL - 07/23/2010 - \$1,310,319 Total Incurred (valued as of 02/07/2018)
  - DOL - 04/29/2010 - \$787,921 Total Incurred (valued as of 02/07/2018)

The parties understand and agree that, if all the above stated conditions are not met as applicable to a particular policy period renewal, the Premium Rate per payroll/exposure for the 2019 Policy Period shall not be subject to any limitation nor guarantee with respect to rate increases.

The second year payroll period we will require only the following underwriting information:

- Updated payroll by class code
- Updated loss information as outlined above
- Updated aircraft information (we must have each year for reinsurance purposes)
- Updated Employee Concentration (EC) information
- Insured's agreement to work with Safety National to complete the premium audit (whether voluntary or physical) in a timely manner. We do a premium audit at the end of each 12 month policy period.

**General Contingencies and Comments:**

All Safety National Clients have access to MAP, on-line Safety and Risk Control resource.

Safety National must approve any change in Claims Administration.



# GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS

A Best's Financial Strength Rating is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. The rating is based on a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance and business profile.

## Financial Strength Ratings

	Rating	Descriptor	Definition
<b>Secure</b>	A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
	A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
	B++, B+	Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
<b>Vulnerable</b>	B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
	C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
	D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.
	E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) placed under a significant form of regulatory supervision, control or restraint - including cease and desist orders, conservatorship or rehabilitation, but not liquidation - that prevents conduct of normal, ongoing insurance operations.
	F	In Liquidation	Assigned to companies placed in liquidation by a court of law or by a forced liquidation.
	S	Suspended	Assigned to rated companies when sudden and significant events affect their balance sheet strength or operating performance and rating implications cannot be evaluated due to a lack of timely or adequate information.

## Rating Modifiers

Modifier	Descriptor	Definition
U	Under Review	Indicates the rating may change in the near term, typically within six months. Generally is event driven, with positive, negative or developing implications.
Pd	Public Data	Indicates rating assigned to insurer that chose not to participate in A.M. Best's interactive rating process. (Discontinued in 2010)
S	Syndicate	Indicates rating assigned to a Lloyd's syndicate.

## Outlooks

Indicates potential direction of a Financial Strength Rating over an intermediate term, generally defined as 12 to 36 months.	
Positive	Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.
Negative	Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.
Stable	Indicates low likelihood of a rating change due to stable financial/market trends.

## Affiliation Codes

Indicates rating is based on a type of affiliation with other insurers.

g	Group	p	Pooled	r	Reinsured
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## Not Rated Designation

NR: Assigned to companies that are not rated by A.M. Best.

## Rating Disclosure

A Best's Financial Strength Rating opinion addresses the relative ability of an insurer to meet its ongoing insurance obligations. The ratings are not assigned to specific insurance policies or contracts and do not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. A Best's Financial Strength Rating is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In arriving at a rating decision, A.M. Best relies on third-party audited financial data and/or other information provided to it. While this information is believed to be reliable, A.M. Best does not independently verify the accuracy or reliability of the information. For additional details, see A.M. Best's *Terms of Use* at [www.ambest.com](http://www.ambest.com).

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## DISCLAIMER

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### *Proposal*

J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, thanks you for the opportunity to discuss your insurance and risk management program. This summary is a brief overview of that program and is based on the exposure information you provided. Please refer to the policies for complete terms, conditions, limitations, definitions, and exclusions.

We have evaluated your exposures to loss and developed this proposal based upon the information that you have provided to us. If you are aware of other areas of potential exposure that need to be evaluated or of additional information of which we should be aware prior to binding of coverage, please bring the other areas or additional information to our attention as soon as possible. Should any of your exposures change after coverage is bound, please notify us immediately.

### *Client Contracts*

In the event that you enter into a contract that has specific insurance requirements, J. Smith Lanier & Co. will review your contract, but only in regards to the insurance requirements of the contract. The scope of our review will be to determine if the current insurance program which you have placed through our agency addresses the types and amounts of insurance coverage referenced by the contract. We will identify the significant insurance obligations and will provide a summary of the changes required in your current insurance program to meet the requirements of the contract. Upon your authorization, we will make the necessary changes in your insurance program. We will also be available to discuss any insurance requirements of the contract with your attorney, if desired.

In performing a contract review, J. Smith Lanier & Co. is not providing legal advice or a legal opinion concerning any portion of the contract. In addition, J. Smith Lanier & Co. is not undertaking to identify all potential liabilities that may arise under any such contracts. A contract review is provided solely for your information and should not be relied upon by third parties. Any descriptions of the insurance coverages are subject to the terms, conditions, exclusions, and other provisions of the contract and of the insurance policies and applicable regulations, rating rules or plans.

### *Compensation Disclosure (Including New York Regulation 194 Disclosure)*

J. Smith Lanier & Co. Insurance is an insurance producer domiciled in the State of New York and licensed to sell insurance in additional states (including New York). Our licensed insurance producers are authorized by law to confer with you regarding the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. Our role in any particular insurance transaction typically involves one or more of these activities. Except in cases where J. Smith Lanier & Co. has a specific fee agreement to receive compensation from a client, we customarily receive compensation from insurers for our professional services in the form of a commission, which normally consists of a percentage of the premium collected by the insurers.

J. Smith Lanier & Co. may also receive additional compensation, under agreements with one or more insurers and/or insurance intermediaries, in the form of commission overrides or based on some combination of volume, profitability or other factors. We will receive compensation in connection with the sale of insurance products based upon the type of insurance contract that we sell and our arrangement with the insurer. Depending on the insurer and insurance contract that you select, compensation may be paid to J. Smith Lanier & Co. by the insurer selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract and the insurer the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

At your request, we will be pleased to provide you with information about compensation expected to be received by J. Smith Lanier & Co. based in whole or in part on the sale of insurance to you and (if applicable) compensation expected to be received by us based in whole or in part on any alternative quotes presented to you by J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company.

*Collection Disclosure*

If this proposal results in your commitment to purchase one or more of the insurance products described in this proposal, J. Smith Lanier & Co. will submit to you, or caused to be submitted to you, an invoice for the insurance premiums associated with such insurance products. You are responsible for payment in full of the premium amounts set forth on our invoices within the payment terms set forth on the invoices. In the event that J. Smith Lanier & Co. or its designee commences legal action to collect amounts due under outstanding invoices or to enforce its rights under any insurance contracts, you will be responsible for payment of all reasonable attorneys' fees, court costs and expenses incurred by J. Smith Lanier & Co. in collecting past due amounts pursuant to such invoices or otherwise enforcing its legal rights under such contracts.

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## AUTHORIZATION TO BIND

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**Insured:**            Lexington-Fayette Urban County Government

Lines of coverage to bind:

Effective Date:

Expiration Date:

**Choose the appropriate option:**

- I hereby authorize J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, to bind my coverage per the terms and conditions outlined in this Proposal.

\_\_\_\_\_  
*Authorized Signature*

\_\_\_\_\_  
*Date*

- I hereby authorize J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, to bind my coverage with changes as stated below. I understand these changes may result in possible additional underwriting requirements or more/less premium.

\_\_\_\_\_  
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\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
*Authorized Signature*

\_\_\_\_\_  
*Date*

**Policy Document Delivery**

**I would prefer to have my policies and endorsements delivered to my business in the following manner:**

- Mailed through the US Postal Service
- Emailed electronically to the following email address \_\_\_\_\_

**AUTHORIZATION TO BIND**

Insured: Lexington-Fayette Urban County Government

Lines of coverage to bind: *ALL IN PROPOSAL (FOR CYBER LIABILITY - ACE - CHUBB)*

Effective Date: *7/1/18*

Expiration Date: *7/1/19*

Choose the appropriate option:

I hereby authorize J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, to bind my coverage per the terms and conditions outlined in this Proposal.

*J. Smith Lanier*  
Authorized Signature

*July 3, 2018*  
Date

I hereby authorize J. Smith Lanier & Co., a Marsh & McLennan Agency LLC company, to bind my coverage with changes as stated below. I understand these changes may result in possible additional underwriting requirements or more/less premium.

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Authorized Signature

Date

**Policy Document Delivery**

I would prefer to have my policies and endorsements delivered to my business in the following manner:

Mailed through the US Postal Service

Emailed electronically to the following email address

*Patrick J@lexingtonky.gov*



TO: Jim Gray, Mayor  
Members, Urban County Council  
Sally Hamilton, CAO

FROM: ***Patrick R. Johnston***  
Patrick R. Johnston, Director  
Division of Risk Management

DATE: May 23, 2018

RE: **FY 2019 Excess Property & Casualty Insurance Renewals**  
Aviation, Excess Retained Limit Liability (AL/GL/POL,LE), Excess Property, Cyber Liability,  
Pollution Liability and Excess Workers' Compensation

The current excess insurance policies listed in the "Policy" Column in Table I below will expire at midnight on June 30, 2018.

The policies listed in Table 1 have been recommended for renewal by LFUCG's broker J SMITH LANIER & CO- LEXINGTON/Powell Walton Milward. More specifically, J Smith Lanier & Co is recommending Proposal #2 for Cyber Liability.

Table 1

FY 2018 - LFUCG Excess Property & Casualty Proposals					
Policy	FY 2018 Broker/Carrier	FY 2018 Premium + Surcharges	FY 2019 Broker/Carrier Recommended	FY 2019 Premium + Surcharges	Increase/ Decrease +/( -)
<b>Aviation Liability &amp; Hull Damage (Police Helicopters)</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/ Old Republic Insurance Company	<b>\$29,162.00</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/ Old Republic Insurance Company	<b>\$30,772.00</b>	<b>+5.5%</b>
<b>Retained Limit Liability GL/POL/AL/LE</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/Safety National	<b>\$487,973.67</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/Safety National	<b>\$487,973.67.0 0</b>	<b>0%</b>
<b>Property</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/Affiliated Factory Mutual (FM)	<b>\$318,431.15</b>	J SMITH LANIER & CO LEXINGTON/Powell Walton Milward/ Affiliated Factory Mutual (FM)	<b>\$320,026.05</b>	<b>+5%</b>



<b>Cyber Liability (Incumbent Proposal)  #1</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ National Union Fire Insurance Company of Pittsburg, PA	<b>\$28,563.00</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ National Union Fire Insurance Company of Pittsburg, PA	<b>\$29,717.00</b>	<b>+4%</b>
<b>Cyber Liability (New Proposal)  #2</b>	<b>N/A</b>	<b>N/A</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ACE American Insurance Company (Chubb Group)	<b>\$21,748.77</b>	<b>(27% less than in- cumbent quote)</b>
<b>Pollution Legal Liability</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ AIG Specialty Insurance Company	<b>\$17,912.77</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ AIG Specialty Insurance Company	<b>\$18,494.71</b>	<b>+3.2%</b>
<b>Workers' Compensation</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ Safety National Casualty Corporation	<b>\$404,958.00</b>	J SMITH LANIER & CO LEXINGTON/ Powell Walton Milward/ Safety National Casualty Corporation	<b>\$398,383.00</b>	<b>(1.6%)</b>
<b>Totals</b>		<b>\$1,286,799.92</b>	w/Cyber Proposal #1 w/Cyber Proposal #2	<b>\$1,285,366.43</b> <b>\$1,277,398.20</b>	<b>(&lt;1%)</b>

The recommended Insurance Policies represent **\$1,285,366.43 (Proposal #1)** or **\$1,277,398.20 (Proposal #2)** in premiums for FY 2019. This is a decrease of **\$1433.49 (Proposal #1)** or **\$9401.72 (Proposal #2)** or **(<1%)** compared to FY 2018 premiums. Proposal #2 is recommended.

The following Self-Insured Retentions, Deductibles, and Limits apply as noted in **Table 2**.

**Table 2**

<b>Policy</b>	<b>Self-Insured Retention/Deductibles/Limits</b>
Aviation Liability	\$20,000,000 Combined Single Liability Limit for two Police helicopters with single and aggregate medical limits of \$10,000 and \$40,000 respectively.
Aviation Hull Damage	\$0.00 Not in Motion; 1% (\$8760.00) of hull/equipment value (\$876,000)
Liability (Auto/General/Public Officials/Law Enforcement)	\$1,500,000 Self-Insured Retention (SIR) per occurrence \$10mil occurrence/\$12 million aggregate limits
Cyber Liability	<b>Proposal #1: Increased Premium. \$100k deductible with \$2million Limits.</b> <b>Proposal #2: Lower Premium. \$100k deductible with \$2million Limits.</b> <b>(Proposal #2 for Cyber Liability Recommended)</b>
Pollution Liability	\$75k deductible with \$1million Limits
Property (Buildings, Contents, Boiler & Machinery, Property in the Open, Vehicles, Animals)	\$250,000 Deductible per occurrence with various sub-limits for flood, earthquakes and auto property damage with a \$500,000,000 all perils limit per occurrence.
Workers' Compensation (LFUCG Employees)	\$1,000,000 Self-Insured Retention (SIR) per occurrence.

The funds for insurance premiums are included in the proposed FY 2019 budget – Property & Casualty Insurance Premiums Account, **Table 3** as estimated by the Division of Accounting and Budgeting.

**Table 3 (FY 2019 Allocations)**

**(Recommend Proposal #2)**

<b>Fund</b>	<b>Cost Allocation %</b>	<b>Premium Proposal #1</b>	<b>Allocation By Fund - \$ Proposal #1</b>	<b>Premium Proposal #2</b>	<b>Allocation By Fund-\$ Proposal #2</b>
1101-XXXXXX-XXXX-73101	73.32%	\$1,285,366.43	\$942,430.67	\$1,277,398.20	\$936,588.36
1115-XXXXXX-XXXX-73101	6.89%	\$1,285,366.43	\$88,561.75	\$1,277,398.20	\$88,012.74
4002-XXXXXX-XXXX-73101	19.62%	\$1,285,366.43	\$252,188.89	\$1,277,398.20	\$250,625.53
4051-XXXXXX-XXXX-73101	.17%	\$1,285,366.43	\$2,185.12	\$1,277,398.20	\$2,171.58

Your approval is respectfully requested for authorization to bind coverage with the recommended insurance carriers.

Cc: Glenn Brown, Deputy CAO

Janet Graham, Commissioner – Department of Law

Todd Slatin, Director – Division of Purchasing

Cecily Chan, Accountant Senior – Division of Accounting

Faye Clark, Risk Management Accountant – Division of Accounting

Denia Channels, Risk Management Analyst – Division of Risk Management – Department CAO

ATTACHMENTS (1) – Listed Policies from Table 1

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MAYOR JIM GRAY



LEXINGTON

0609-18  
~~6-21 First~~  
SALLY HAMILTON  
CHIEF ADMINISTRATIVE OFFICER

TO: Jim Gray, Mayor  
Urban County Government Council Members  
Sally Hamilton, CAO

FROM: Patrick R. Johnston, Director  
Division of Risk Management *Patrick R. Johnston*

CC: Glenn Brown, Deputy CAO  
Janet Graham, Commissioner of Law  
Todd Slatin, Director of Purchasing  
Denia Channels, Risk Management Analyst – Division of Risk Mgt.  
Cecily Chan – Account Senior – Division of Accounting  
Faye Clark – Risk Management Accountant

DATE: May 25, 2018

SUBJECT: Excess Property & Casualty Insurance Policy Renewals – FY 2019  
Request for Authorization to Renew

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### Request

Authorization to: Renew LFUCG Excess Property & Casualty Insurance Policies for FY 2019.

Why are you requesting? Excess Policies are required to protect the LFUCG against financial catastrophic losses above the self-insurance retentions for all lines of insurance.

Department needs this action completed because: Required per ordinance 2-7.

What is the cost in this budget year and future budget years?

The cost for this FY is: **\$1,285,366.43 for proposal #1 or \$1,277,398.20 for proposal #2.**

The cost for future FY is: Unknown until quotes are received from broker in May of each year.



Are the funds budgeted? Yes

The funds are budgeted or a budget amendment is in process:

Account number: 1101-XXXXXX-XXXX-73101

1115-XXXXXX-XXXX-73101

4002-XXXXXX-XXXX-73101

4051-XXXXXX-XXXX-73101

File Number: \_\_\_\_\_

Director/Commissioner: Patrick R. Johnston/Sally Hamilton

