



**MarshMcLennan  
Agency**

Proposal for Insurance Services

Lexington-Fayette Urban  
County Government

Presented By:  
William Milward

Effective:  
July 1, 2023 – July 1, 2024

**Your future is limitless.™**

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## Marsh & McLennan Agency Client Service Team

### Marsh & McLennan Agency LLC

360 East Vine Street  
 Lexington, KY 40588  
 Phone: 859-254-8023  
 Fax: 859-254-8020

Insurance Placement Administration	
<b>Producer:</b> William Milward, CIC Senior Vice-President	Phone: 859-244-7628 Email: Will.Milward@MarshMMA.com
<b>Account Manager:</b> Brenda S Stickrod AAI Sr. Account Manager	Phone: 859-244-7684 Email: Brenda.Stickrod@MarshMMA.com
<b>Marketing Leader:</b> Susan Cook, CPCU	Phone: 859-244-7635 Email: <a href="mailto:Susan.Cook@MarshMMA.com">Susan.Cook@MarshMMA.com</a> Mobile: 502-338-3155
Consultative Claims Services	
<b>Regional Claims Director:</b> Angela Lee Senior Vice President	Phone: 770-295-1018 Email: Angela.Lee@MarshMMA.com
<b>Claims Representative:</b> Kate McAllister Claims Analyst	Phone: 859-244-7623 Email: Kate.McAllister@MarshMMA.com

## Premium Summary and Comparison

Policy	Expiring Premium	Proposed Premium
Property	\$646,836.00	\$774,752.00*
Commercial General Liability	\$105,456.00	Included in total below
Commercial Automobile	\$221,394.00	Included in total below
Public Officials and Employment Practices Liability	\$106,944.10	Included in total below
Law Enforcement Liability	\$66,136.93	Included in total below
Excess Liability	\$116,588.00	Not quoted due to increased limits in underlying policies
<b>Safety National Excess Liability Total Premiums</b>	\$616,519.03	\$645,856.00
Excess Liability (\$5M x \$5M)	\$387,346.04	\$421,889.65
Excess Workers' Compensation	\$436,994.00	\$491,845.00
Aviation	\$36,868.91	\$46,310.86
Pollution Legal Liability	\$24,427.21	\$26,337.73
Cyber Liability	\$85,644.00	\$77,255.28
<b>Program Total</b>	<b>\$2,234,635.19</b>	<b>\$2,484,246.52</b>

No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.

*\*Includes estimated taxes, subject to change based on allocation of premium to specific locations by AFM at policy issuance.*

## Material Changes in Terms and Conditions

Coverage	Expiring Program	Proposed Program
Commercial Property	- \$10,000,000 Combined Business Income (including Rental Income) and Extra Expense Sublimit	- \$10,000,000 Extra Expense Sublimit - \$1,000,000 Gross Earnings Sublimit - \$1,000,000 Gross Profits Sublimit - Rental Income is now excluded
Commercial General Liability	Limits: \$2,000,000 each occurrence/\$4,000,000 Gen. Agg./\$4,000,000 Products-Completed Ops. Agg. \$2,000,000 Each Employee /\$4,000,000 Aggregate Employee Benefits Liability	Limits: \$5,000,000 each occurrence/\$5,000,000 Gen. Agg./\$5,000,000 Products-Completed Ops. Agg. \$5,000,000 Each Employee/\$5,000,000 Aggregate Employee Benefits Liability
Commercial Auto	\$2,000,000 Combined Single Limit Each Occurrence	\$5,000,000 Combined Single Limit Each Occurrence
Public Officials and Employment Practices Liability	Limits: \$2,000,000 Each Wrongful Act \$2,000,000 Aggregate	Limits: \$5,000,000 Each Wrongful Act \$5,000,000 Aggregate
Law Enforcement Liability	Limits: \$2,000,000 Each Wrongful Act \$2,000,000 Aggregate	Limits: \$5,000,000 Each Occurrence \$5,000,000 Aggregate
Excess Liability	\$3,000,000 Limit Shared by all underlying coverages: CGL, Auto, Public Officials/EPL, Law Enforcement.	No Excess due to increased limits on the primary policies. General Liability Products-Completed Ops. Agg and General Agg. Limits when combined with the Excess policy are \$2,000,000 lower than expiring.
Excess Workers' Compensation	Limits: \$2,000,000 Each Occurrence \$2,000,000 Aggregate	Limits: \$5,000,000 Each Occurrence \$5,000,000 Aggregate
Aviation	No deductibles	\$5,000 In Motion Deductible \$5,000 Ingestion Deductible \$500 Equipment Deductible

The above is not inclusive of all material changes in terms and conditions. Please refer to your policies for a complete list.

## Program Subjectivities

Policy	Subjectivity Terms
Commercial Property	Signed TRIA acceptance / rejection form.
Public Entity Excess Liability (Safety National)	<ol style="list-style-type: none"> <li>1. Signed TRIA acceptance / rejection form.</li> <li>2. Binding is contingent upon binding Excess Workers' Compensation with Safety National.</li> </ol>
Excess Workers' Compensation	Binding is contingent upon binding other lines of coverage quoted by Safety National
Excess Liability (Gemini)	Signed TRIA acceptance / rejection form.
Pollution Legal Liability	<ol style="list-style-type: none"> <li>1. Resign Chubb Environmental application (closer to the effective date)</li> <li>2. Signed TRIA disclosure form, only if rejecting TRIA coverage (rejected in 2022)</li> <li>3. Provide additional details/status regarding CWA violations for both West Hickman and Town Branch WWTPs.</li> </ol>
Cyber	<p><u>Crum &amp; Forster</u>: Completion of Cyber Ready call with the C&amp;F Cyber Solutions Team withing 15 days of binding.</p> <p><u>Berkley CyberRisk</u>: If choosing the Berkley option LFUCG will decide re: Social Engineering:</p> <ul style="list-style-type: none"> <li>• \$50,000 limit <i>with no</i> verification exclusion</li> <li>• \$150,000 limit with verification exclusion</li> </ul>

## Named Insured Schedule

Named Insureds listed below may not apply to all coverages depending upon their insurable interest. 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

## Schedule of Locations

Loc #	Address	City	State	Zip Code
	Refer To Statement of Values On File	Lexington	KY	40507



## Additional Interests

**Policy Term:** 7/1/2022 to 7/1/2023  
**Insurer:** Affiliated FM Insurance Company

Coverage	Effective Date	Expiration Date	Company	Policy Number
Property	07/01/2023	07/01/2024	Affiliated FM Insurance Company	1100894

Name	Address	Interest Description
Commonwealth of Kentucky's Administrative Office of the Court	1001 Vandalay Drive Frankfort , KY 40601	Mortgagee
LFUCG Public Facilities Corporation	200 East Main Street Lexington , KY 40507	Mortgagee
US Bank; Global Corporate Trust Services	One Financial Square Louisville , KY 40202	Mortgagee
Bank of New York Mellon Trust Company, N.A.	614 West Main Street, Suite 2600 Louisville , KY 40202	Loss Payee
Art's Rental Equipment, Inc.	215 East Sixth Street Newport , KY 41071	Loss Payee
Lenovo Financial Services % Insurance Service Center	PO Box 202133 Florence , SC 29502	Loss Payee

## Additional Interests

**Policy Term:** 7/1/2022 to 7/1/2023  
**Insurer:** Safety National Casualty Corporation

Coverage	Effective Date	Expiration Date	Company	Policy Number
General Liability	07/01/2023	07/01/2024	Safety National Casualty Corporation	GL6676307

Name	Address	Interest Description
NFL Properties LLC, NFL Ventures LP, the Nat'l Football (Contd)	280 Park Avenue New York , NY 10017	Additional Insured
Columbia Gas of Kentucky Inc	200 East Main Street Lexington , KY 40507	Additional Insured
Cellco Partnership, A Delaware General Partnership dba Verizon	Wireless; One Verizon Way, Mail Stop 4AW100 Basking Ridge , NJ 07920	Additional Insured
CSX Transportation Inc	500 Water Street J-180 Jacksonville , FL 32202	Additional Insured
Fayette County Board of Education	1126 Russell Cave Road Lexington , KY 40505	AI - Manager/Lessor (CG 20 11)

## Commercial Property

**Policy Term:** 7/1/2023 to 7/1/2024  
**Insurer:** Affiliated FM Insurance Company  
**AM Best Rating:** A+, XV, January 27, 2023

### LIMITS

Description	Coverage Amount	Valuation Basis	Coinsurance Percentage	Cause of Loss Form	Deductible
Blanket Combined Building Personal Property and Business Interruption	\$500,000,000	Replacement Cost	None	Special	\$250,000

Total Insured Values: \$1,239,875,064 (refer to statement / schedule of values)

### SCHEDULE OF SUBLIMITED LOCATIONS

1265 Manchester Street, Lexington, KY

Description	Coverage Amount	Valuation Basis	Coinsurance Percentage	Cause of Loss Form	Deductible
Real Property	\$675,000	Replacement Cost	None	Special	\$250,000

### Deductibles (per occurrence)

Boiler and Machinery	\$100,000
Earthquake	\$250,000
Fine Arts	\$100,000
Flood	\$250,000, except \$500,000 per location for the following locations: - 1760 McGrathiana Parkway, Lexington, Kentucky, 40511-1270 - 2500 Bowman Mill Road, Lexington, Kentucky, 40513-9702, - 335 Jimmie Campbell Drive, Lexington, Kentucky, 40504 - 219 East Third Street, Lexington, Kentucky, 40508-1827 - 689 Byrd Thurman Drive, Lexington, Kentucky 40510-9665 - 200 W Hickman Plant Rd, Nicholasville, Kentucky, 40356 - 3318 Buckhorn Drive, Lexington, Kentucky 40515 - 1104 Kilrush Drive, Lexington, Kentucky, 40504-1307 - 2401 Richmond Road, Lexington, Kentucky, 40502-1309
Motor Vehicle Coverage	\$250,000
Water Damage	\$250,000
All Other Losses	\$250,000

**Qualifying Periods:**

The Company will not be liable for loss or damage unless the Qualifying Period below is exceeded. When the Qualifying Period is exceeded, the loss will be calculated beginning from the time of the loss or damage. The Qualifying Period for the following coverages are as follows:

Communicable Disease – Property Damage and Communicable Disease – Business Interruption	48 hours
Data Restoration	48 hours
Data Service Provider – Property Damage and Data Service Provider – Business Interruption	48 hours
Off-Premises Service Interruption – Property Damage and Off-Premises Service Interruption – Business Interruption	24 hours
Owned Network Interruption	48 hours

## Property – Notable Sublimits

**Policy Term:** 7/1/2023 to 7/1/2024  
**Insurer:** Affiliated FM Insurance Company  
**AM Best Rating:** A+, XV, as of January 27, 2023

The coverage extensions and the additional coverages have limitations, are not in addition to policy limits, and are subject to certain conditions.

Description	Amount
Accounts Receivable	\$10,000,000
Animals Coverage	\$2,500,000 Not to exceed \$50,000 Per Animal
Arson or Theft Reward	\$100,000
Attraction Property	\$100,000
Boiler & Machinery	Policy Limit
Brand Protection	Policy Limit
Change of Temperature	\$100,000
Civil or Military Authority	30 days
Communicable Disease – Combined Property Damage and Business Interruption	\$1,000 annual aggregate, not to exceed 12 months
Contract Penalty Clause	\$100,000
Crisis Management	\$100,000, not to exceed 30 days
Cyber Event	<ol style="list-style-type: none"> <li>\$1,000 annual aggregate for Data Restoration and Owned Network Interruption Combined</li> <li>\$1,000 annual aggregate for Data Service Provider – Property Damage and Data Service Provider – Business Interruption combined</li> <li>\$50,000 annual aggregate for loss or damage to stock in process or finished goods manufactured by or for the Insured caused by or resulting from Cyber event that impacts the processing, manufacturing, or testing of such property or while it is otherwise being worked on.</li> </ol>
Data Restoration	\$50,000 annual aggregate
Data Service Provider-Property Damage and Data Service Provider - Business Interruption Combined	\$50,000 annual aggregate

Debris Removal	Policy Limit
Decontamination Costs	Policy Limit
Deferred Payments Coverage	\$100,000
Demolition and Increased Cost of Construction	Policy Limit
Earth Movement	\$100,000,000 annual aggregate, not to exceed \$50,000 annual aggregate for Data Service Provider – Business Interruption, Data Service Provider – Property Damage, Errors and Omissions, Off-Premises Service Interruption – Business Interruption, Off-Premises Service Interruption – Property Damage, Supply Chain and Unnamed Property, combined
Errors and Omissions	\$10,000,000
Expediting Expense	\$10,000,000
Extended Period of Liability	90 days
Extra Expense	\$10,000,000
Fine Arts	\$5,000,000, not to exceed \$10,000 per item for irreplaceable fine arts
Flood - Six (6) specified locations per policy	<p>\$50,000,000 annual aggregate, not to exceed the following:</p> <ol style="list-style-type: none"> <li>\$2,000,000 annual aggregate for the following locations, combined: <ul style="list-style-type: none"> <li>1760 McGrathiana Parkway, Lexington, Kentucky, 40511-1270</li> <li>2500 Bowman Mill Road, Lexington, Kentucky, 40513-9702,</li> <li><b>335 Jimmie Campbell Drive, Lexington, Kentucky, 40504</b></li> <li>219 East Third Street, Lexington, Kentucky, 40508-1827</li> <li><b>689 Byrd Thurman Drive, Lexington, Kentucky 40510-9665</b></li> <li>200 W Hickman Plant Rd, Nicholasville, Kentucky, 40356</li> <li><b>3318 Buckhorn Drive, Lexington, Kentucky 40515</b></li> <li>1104 Kilrush Drive, Lexington, Kentucky, 40504-1307</li> <li>2401 Richmond Road, Lexington, Kentucky, 40502-1309</li> </ul> </li> <li>\$50,000 annual aggregate for Data Service Provider - Business Interruption, Data Service Provider - Property Damage, Errors and Omissions, Off-Premises Service Interruption - Business Interruption, Off-Premises Service Interruption - Property Damage, Supply Chain and Unnamed Property, combined</li> </ol>
Green Coverage	\$50,000 not to exceed 25% of the amount of the property damage loss
Gross Earnings	\$1,000,000, not to exceed 30 days for ordinary payroll
Gross Profits	<p>\$1,000,000, not to exceed the following:</p> <ol style="list-style-type: none"> <li>12 months</li> <li>30 days for ordinary payroll</li> </ol>

Ingress/Egress	\$1,000,000
Land and Water Clean Up Expense	\$500,000 annual aggregate
Leasehold Interest	\$10,000,000
Locks and Keys	\$100,000
Logistics Extra Costs	\$100,000
Miscellaneous Equipment	\$10,000,000
Money and Securities	\$500,000
Motor Vehicle Coverage (Valuation is Actual Cash Value)	\$25,000,000
Newly Acquired Properties	\$10,000,000
Off-Premises Service Interruption – Property Damage and Off-Premises Service Interruption – Business Interruption combined	\$5,000,000
Owned Network Interruption	Included in cyber event limit
Professional Fees	\$250,000
Property Removed from a Location	Policy Limit
Protection and Preservation of Property – Business Interruption	Policy Limit
Protection and Preservation of Property – Property Damage	Policy Limit, not to exceed \$250,000 for security costs
Rental Income	NOT COVERED
Research and Development	NOT COVERED
Soft Costs	\$1,000,000
Supply Chain	\$500,000
Tax Treatment	\$100,000
Tenants Legal Liability	\$100,000
Transit	\$2,500,000, not to exceed \$250,000 for Business Interruption
Unnamed Property	\$10,000,000

Valuable Papers and Records	\$10,000,000, not to exceed \$10,000 per item for irreplaceable valuable papers and records
Traffic Control Equipment	\$10,000,000

### Additional Exclusions:

#### 1. Transmission and Distribution Systems Exclusion

Property Excluded is amended to include: transmission and distribution systems, except at a described location but not within the 1,000 feet extension provided by the Property Insured wording.

### Special Terms and Conditions:

#### 1. 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.

Miscellaneous Equipment Valuation: On property insured under this coverage, the loss amount will not exceed the actual cash value.

#### 2. Pavement and Roadways Described Location

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

#### 3. 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.

4. 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.

5. United States Certified Act of Terrorism

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.

6. Motor Vehicle Coverage

This policy 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**.

**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	01/20
All Risk Coverage	PRO AR 4100	01/23
Supplemental United States Certified Act of Terrorism Endorsement	AFM 7312	06/21
Kentucky Amendatory Endorsement	AFM 6504	04/15

## Commercial General Liability

**Policy Period:** 7/1/2023 to 7/1/2024  
**Insurer:** Safety National Casualty Corporation  
**AM Best Rating:** A++, XV as of November 17, 2022

### COVERAGE FORM:

Occurrence Form: Yes  
 Claims Made Form: Yes – Employee Benefits Liability  
 Retroactive Date: 07/01/2017

### LIMITS

Description	Coverage Amount
General Aggregate	\$5,000,000
Products/Completed Operations Aggregate	\$5,000,000
Each Occurrence	\$5,000,000
Fire Damage – Any One Fire	\$1,000,000
Medical Expense – Any One Person	NO COVERAGE

**Self-Insured Retention:** \$1,500,000 Each Occurrence

**Occurrence Basis:** Covers a loss caused by an occurrence that happened during the policy period, although the claim may be made after the policy expires.

**Claims Made Basis:** Covers a claim made during the policy period for a loss that happened after the retroactive date.

### ADDITIONAL COVERAGES

Description	Coverage Amount
Employee Benefits – Annual Aggregate	\$5,000,000
Employee Benefits – Each Employee	\$5,000,000

### Scheduled Watercraft:

2014 Lowe Boats R1160R
2023 Inmar 430-ST-L-HD
2023 Inmar 430-ST-L-HD
1984 Fisher Aluminum 16'
2018 Zodiac MK3GR

**FORMS APPLY TO GENERAL LIABILITY, EMPLOYEE BENEFITS LIABILITY, AUTOMOBILE LIABILITY, LAW ENFORCEMENT LIABILITY, PUBLIC OFFICIALS and EMPLOYMENT PRACTICES LIABILITY**

<b>Schedule of Forms and Endorsements:</b>	
PEERLL 00 00 12 22	Public Entity Excess Retained Limits Liability Insurance Policy
PE 10 00 01 22	Public Entity Excess Retained Limits Liability Insurance Policy Declarations
PE 116 00 01 22	Kentucky Amendatory Endorsement
CP 99 03 05 19	Commercial Policy Cover
PN 99 02 02 09	Privacy Statement
IL P 001 01 04	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
IL 10 06 12 08	Schedule of Forms and Endorsements
PE 001 00 12 22	Additional Insured – Scheduled Contracts
PE 006 00 02 22	Prior Acts Coverage (EBL)
PE 009 00 01 22	Contractual Liability – Railroads (As Required by Written Contract)
PE 012 00 01 22	Earlier Notice of Cancellation Provided By Us
PE 013 00 02 22	Employee Benefits Liability Coverage
PE 020 00 01 22	Scheduled Dams (Shillito Park and Wellington Park dams)
PE 022 00 01 22	Scheduled Watercraft
PE 026 00 01 22	Exclusion – Failure to Supply
Manuscript	Additional Insured Bodily Injury & Property Damage
Manuscript	Modified RICO Exclusion

## Business Automobile

**Policy Period:** 7/1/2023 to 7/1/2024  
**Insurer:** Safety National Casualty Corporation  
**AM Best Rating:** A++, XV as of November 17, 2022

### LIMITS

Description	Symbols	Limit or Deductible
Bodily Injury & Property Damage Liability	1	\$5,000,000 each occurrence
Uninsured / Underinsured Motorists		Excluded
Personal Injury Protection		Excluded

Symbol Definitions		
1. Any "Auto"	5. Owned "Autos" Subject to No-Fault	9. Non-Owned "Autos" Only
2. Owned "Autos" Only	6. Owned "Autos" Subject to a Compulsory Uninsured Motorists Law	10. "See Definition"
3. Owned Private Passenger "Autos" Only	7. Specifically Described "Autos"	11. "See Definition"
4. Owned "Autos" Other than Private Passenger "Autos" Only	8. Hired "Autos" Only	19. Mobile Equipment Subject to Compulsory or Financial Responsibility or Other Motor Vehicle Insurance Law Only

**Self-Insured Retention: \$1,500,000 Each Occurrence**

### Notable Exclusions or Limitations:

- Liability from the use of Amphibious Vehicles
- Exclusion of Federal Employees Using Autos in Government Business

## Public Officials & Employment Practices Liability

**Policy Period:** 7/1/2023 to 7/1/2024  
**Insurer:** Safety National Casualty Corporation  
**AM Best Rating:** A++, XV as of November 17, 2022

### LIMITS

Description	Limit
Each Wrongful Act	\$5,000,000
Annual Aggregate	\$5,000,000

**Self-Insured Retention:** \$1,500,000 Each Wrongful Act

## Law Enforcement Liability

**Policy Period:** 7/1/2023 to 7/1/2024  
**Insurer:** Safety National Casualty Corporation  
**AM Best Rating:** A++, XV as of November 17, 2022

### LIMITS

Description	Limit
Each Occurrence	\$5,000,000
Policy Aggregate	\$5,000,000

**Self-Insured Retention:** \$1,500,000 Each Occurrence

## Excess Liability

**Policy Period:** 07/01/2022 to 07/01/2023

**Insurer:** Gemini Insurance Company/Berkley (Non-Admitted)

**AM Best Rating:** A+, XV as of June 8, 2022

### LIMITS

Description	Limit
Each Occurrence, Accident, Act or Claim	\$5,000,000
Policy Aggregate (Auto Liability is not subject to the Aggregate)	\$5,000,000

### SCHEDULE OF UNDERLYING

#### General Liability

Self-Insured Retention - \$1,500,000

Each Occurrence	General Aggregate	Products & Completed Operations Aggregate	Personal & Advertising Injury	Employee Benefits – Annual Aggregate	Employee Benefits – Each Employee
\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000

#### Automobile Liability

Self-Insured Retention - \$1,500,000

Bodily Injury & Property Damage - Combined Single Limit
\$5,000,000

#### Public Officials and Employment Practices Liability

Self-Insured Retention - \$1,500,000

Each Wrongful Act	Aggregate Limit
\$5,000,000	\$5,000,000

#### Law Enforcement Liability

Self-Insured Retention - \$1,500,000

Each Occurrence Limit	Aggregate Limit
\$5,000,000	\$5,000,000



**Employer's Liability**

Self-Insured Retention - \$1,000,000

Each Occurrence Limit	Aggregate Limit
\$5,000,000	\$5,000,000

**Notable Exclusions or Limitations:**

XFP 3000 04/20	Berkley Public Excess Declarations Page
XFP 3002 04/20	Berkley Public Excess Schedule of Forms and Endorsements
XFP 3003 08/22	Schedule of Underlying Insurance
XFP 3001 02/20	Berkley Public Entity Follow Form Policy
XFP 3004 09/20	Signatures
XFP 3005 02/20	Cap on Losses From Certified Acts of Terrorism
XFP 3006 02/20	Exclusion of Certified Acts of Terrorism
XFP 3007 02/20	Trade or Economic Sanctions Endorsement
XFP 3008 01/23	Service of Suit Endorsement
XFP 3036 05/20	Exclusion – Communicable Disease
IL P 001 01/04	U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders
LOSS Notice 01/23	Loss Notice

## Excess Workers' Compensation

**Policy Period:** 7/1/2023 to 7/1/2024  
**Insurer:** Safety National Casualty Corporation  
**AM Best Rating:** A++, XV as of November 17, 2022

Contract Terms	Specific Excess Only
Liability Period	07/01/2023 – 07/01/2024
Payroll Reporting Period	07/01/2023 – 07/01/2024
Payroll	\$220,163,167
Manual Premium	\$3,706,016
Standard Premium	\$3,706,016
Self-Insured Retention	\$1,000,000
Specific Limit	Statutory
Employers Liability Limit	\$5,000,000 per Occurrence \$5,000,000 Aggregate
Premium Rate	\$0.2234
Deposit Premium	\$491,845
Minimum Premium	\$442,661
Pay Plan	Annual Payment
Audit Type	Voluntary

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

### Endorsements

- Kentucky Mandatory Endorsement(s), If Applicable
- 0288 00 09 08 (XWC) Employers' Liability Per Occurrence & Aggregate Maximum Limits of Liability
- 0467 02 1105 (XWC) Employers' Liability Maximum Limit and Aggregate Maximum Limit of Indemnity
- 6000 00 0121 (XWC) Terrorism Risk Insurance Program Reauthorization Act Endorsement

## Workers' Compensation Exposures

STATE: KY

Class Code	Description	Exposure Amount
0106	Tree Pruning, Spraying, Repairing, Trimming Or Fumigating & Drivers	\$241,627
4299	Printing	\$110,658
5506	Street or Road Construction: Paving or Repaving & Drivers	\$2,550,884
6306	Sewer Construction--all Operations & Drivers	\$174,476
7580	Sewage Disposal Plant Operation & Drivers	\$7,103,332
7590	Garbage Works	\$1,357,227
7600	Telecommunications Co. – Cable TV, or Satellite – All Other Employees & Drivers	\$901,877
7610	Radio or Television Broadcasting Station-All Employees & Clerical, Drivers	\$794,771
7710	Firefighters--not Volunteer & Drivers	\$55,683,200
7720	Police Officers & Drivers	\$69,056,947
8380	Automobile Service or Repair Center & Driver	\$3,217,753
8810	Clerical Office Employees Noc	\$33,261,271
8820	Attorney--all Employees & Clerical, Messengers, Drivers	\$1,782,532
8864	Social Services Organization - All Employees & Salespersons, Drivers	\$5,236,652
8869	Non-Specialty Day Camp	\$279,417
9015	Building - Operation by Owner or Lessee	\$4,149,636
9102	Parks NOC - All Employees & Drivers	11,920,364
9403	Garbage, Ashes or Refuse Collection & Drivers	\$8,922,819
9410	Municipal, Township, County or State Employee NOC	\$13,154,048
9516	Electronic Equipment – Installation Service, or Repair – Shop and Outside & Drivers	\$263,676
Total Payroll		\$220,163,167

## Aviation Insurance

**Policy Period:** 07/01/2023 – 07/01/2024  
**Insurer:** Westchester Fire Insurance Company (Non-Admitted)  
**AM Best Rating:** A++, XV as of December 1, 2023

**Location:** The aircraft is based in Lexington, Kentucky.

**Purpose of Use:** All uses required by the “Named Insured”

**Territory:** While the Aircraft is in the United States of America (excluding Alaska), Canada or Mexico, or while the Aircraft is being transported between ports in the territory.

### APPROVED PILOTS

The pilots who may fly the Aircraft are as listed below, provided that those pilots have all of the qualifications as shown and provided also that all pilots are property certified, rated and qualified under the current F.A.A. regulations which apply to the operation of the Aircraft.

Named Pilots
Any pilot approved by the Named Insured’s Chief Pilot or by his or her designee

### SCHEDULE OF AIRCRAFT

F.A.A. Number	Year	Make and Model	Aircraft Type	Total Seats Incl Crew
N911LP	1968	Bell OH-58C	R	4
N912LP	1970	Bell OH-58C	R	4

### LIABILITY COVERAGES

F.A.A. Number	Each Occurrence Limit	Each Passenger Sublimits	Medical Pay Limit Per Person
N911LP	\$20,000,000	Not Applicable	\$25,000
N912LP	\$20,000,000	Not Applicable	\$25,000

### HULL COVERAGES AND DEDUCTIBLES

F.A.A. Number	Amount of Insurance	Not in Motion Deductible	In Motion Deductible	Ingestion Deductible
N911LP	\$375,000	\$0	\$5,000	\$5,000
N912LP	\$375,000	\$0	\$5,000	\$5,000

## AIRCRAFT ADDITIONAL EQUIPMENT AND DEDUCTIBLES

F.A.A. Number	Amount of Insurance	Deductible
N911LP	\$809,885	\$500
N912LP	\$458,600	\$500

## EQUIPMENT SCHEDULE

Description	Value
<b><u>Bell OH-58C / N911LP</u></b>	
L3 Harris WesCam MX-10	\$447,898
Augmented Reality Mapping System (Churchill)	\$169,250
Macroblue computer touch screen 12" monitory (rated for vibration)	\$15,708
GARMIN 530 aircraft radio and navigation system	\$15,000
L-3 Lynx NGT-9000 Transponder (ADS-B in/out, real time weather & aircraft proximity)	\$6,800
AVEO ENGINEERING positioning/navigation LED/strobe lighting system (exterior)	\$3,000
TECHNISONIC Radio – model TDFM-9000 series (UHF/VHF/800 capable policy radio)	\$40,000
TAIT radio – model TM9155 police radio	\$1,600
GARMIN SL-40 aircraft radio	\$1,200
TRAKKA A800 Searchlight	\$95,979
SHADIN model AMS-2000 altitude management system	\$3,600
JUPITUR DUAL AUDIO PANEL	\$9,700
SPOT GEN3 – GPS Tracker	\$150
<b><u>Bell OH-58C / N912LP</u></b>	
GARMIN Transponder model GTX327	\$1,800
PS ENGINEERING model PAC-24 audio panel (2)	\$4,000
TAIT model TM9155 police radio	\$1,600
GARMIN model SL-40 aircraft radio	\$1,200
FLIR 8500 Ultra w/laser target designator (thermal imager)	\$450,000

**CONDITIONS:** Policy form: AC 101 (07/07) and AC 102 (11/98) which includes, inter alia, the following exclusion clauses:

War and Other Perils Exclusion Clause  
Noise, Pollution and other Perils Exclusion Clause

The policy is also subject to the following:

- AC 100 (05-22) Aircraft Policy - Jacket
- AC 101 (07/07) Aircraft Policy - Declarations
- AC 101S (07/07) Aircraft Policy - Schedule of Endorsements
- AC 102 (11/98) Aircraft Policy - Provisions
- AC 103 (11/98) Pilots Who May Fly The Aircraft
- AC 107 (11/98) Passenger Voluntary Settlement Endorsement
  - *Limit of Settlement \$250,000 Any One Passenger (including crew)*
- AC 109 (11/98) Non-Owned Aircraft Liability Endorsement
  - *Max seating (including crew): Twenty (20)*
- AC 110 (11/98) War, Hi-jacking and Other Perils Exclusion Clause (Aviation)
- AC 112A (02/08) Extended Coverage - War, Hi-Jacking and Other Perils Endorsement
- MS-313446 (12/20) Amendment to Limits in Endorsement AC 1200 (Governmental Entity Limited Enhanced Coverage Endorsement)
  - *Temporary Replacement Component Part Expense: \$500,000*
  - *Maximum Daily Expense Limit: \$10,000*
  - *Per Incident of Damage to the Aircraft Limit: \$375,000*
  - *Spare Parts- Amount of Insurance Any One Location or Sending: \$500,000*
  - *Spare Parts- Deductible Amount Each and Every \$1,000*
  - *Personal Injury Annual Aggregate Limit: \$20,000,000*
- AC 159 (11/98) Nuclear Risk Exclusion Clause
- AC 160 (11/98) Aircraft Additional Equipment (See Equipment Schedule)
- AC 161 (11/98) Date Recognition Exclusion Endorsement
- AC 162 (11/98) Date Recognition Limited Coverage Endorsement
- AC 165 (01/15) Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism
- AC 167 (02/08) Extended Coverage - War, Physical Damage Coverage Endorsement (Aircraft Physical Damage Coverage)
- AC 168 (11/03) Pollution Endorsement
- AC 170 (01/15) Limited Terrorism Coverage Endorsement
- AC 174 (02/05) Unearned Premium Insurance Endorsement
- AC 178 (02/05) Volunteers Endorsement
- AC 185 (02/05) Emergency Landing Endorsement
- AC-KY (11/98) Cancellation Notification - Kentucky
- ALL-21101 (11/06) Trade or Economic Sanctions Endorsement
- IL P 001 (01/04) U.S. treasury Departments' Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders

## Pollution Legal Liability

**Policy Period:** 07/01/2023 – 07/01/2024  
**Insurer:** Illinois Union Insurance Co. (Non-Admitted)  
**AM Best Rating:** A++, XV as of December 1, 2023

### COVERAGE FORM:

Occurrence Form: No  
 Claims Made Form: Yes  
 Retroactive Date: Landfill - 7/1/2014  
 All Other - 7/1/2011

### LIMITS

Description	Limit	Self-Insured Retention
Per Pollution Condition	\$1,000,000	\$100,000
Aggregate All Pollution Conditions or Indoor Environmental Condition	\$1,000,000	

**Occurrence Basis:** Covers a loss caused by an occurrence that happened during the policy period, although the claim may be made after the policy expires.

**Claims Made Basis:** Covers a claim made during the policy period for a loss that happened after the retroactive date.

### Policy Form:

**Policy Form: PF-44887b (08/18) Premises Pollution Liability Insurance Policy**

### Coverages

- A. Pollution Conditions or Indoor Environmental Conditions Coverage
- B. Transportation Coverage
- C. Non-Owned Disposal Site Coverage

### Additional Terms and Conditions:

1. Premium is 25 % Minimum-Earned as of inception of the Policy
2. 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)

3. PF-55008 (03/21) Communicable, Infectious Or Contagious Diseases Exclusionary Endorsement
4. PF-44917a (03/20) Dedicated Defense Aggregate Limit Endorsement - \$500,000 Aggregate Sublimit
5. PF-46966 (09/15) Known Conditions Exclusion Amendatory Endorsement
6. PF-44957 (09/14) Notice of Cancellation Amendatory (Generic Time Frame) Endorsement - 90 days
7. PF-44967 (09/14) Premium Earn-Out (Staggered - One Year - Acceleration) Endorsement
8. PF-44968 (09/14) Prior Claims Exclusionary (Broad) Endorsement
9. PF-51286 (10/18) Schedule of Covered Locations 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
10. MS-326269.1 (05/21) Public Entity Coverage Amendatory (Sewage Backup) Endorsement
11. SL-34255a (01/16) Service of Suit Endorsement
12. ALL-21101 (11/06) Trade Or Economic Sanctions Endorsement
13. LD-5S23k (03/21) Signatures
14. SL-24685 (03/08) Kentucky Surplus Lines Notification
15. ALL-20887a (03/16) Chubb Producer Compensation Practices & Policies
16. ILP 001 01 04 U. S. Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders



## Network Security (Cyber) & Privacy Liability

### PRIMARY

**Policy Term:** 7/1/2023 – 7/1/2024  
**Insurer:** Berkley Assurance Company (Non-Admitted)  
**AM Best Rating:** A+ (XV) as of 5/16/2023  
**Form:** Berkley Cyber Risk Protect - CYB 20221 (2/18)  
**Retroactive Date:** Full Prior Acts

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

### LIMITS

Cyber Liability Coverages	Expiring <i>Crum &amp; Forster</i>	Renewal <i>Crum &amp; Forster</i>	Alt. Option <i>Berkley</i>
<b>Aggregate Limit of Liability</b>	\$2,000,000	\$2,000,000	\$2,000,000
<b>Breach Costs</b>	\$2,000,000	\$2,000,000	\$2,000,000
<b>Cyber Liability</b>			
Network Security & Privacy Liability	\$2,000,000	\$2,000,000	\$2,000,000
Regulatory Liability and Defense	\$2,000,000	\$2,000,000 <i>*Wrongful Collection Excluded</i>	\$2,000,000 <i>*\$1,000,000 for claims <u>not</u> alleging a Privacy Event</i>
PCI Fines and Assessments	\$2,000,000	\$2,000,000	\$2,000,000
<b>First Party Loss</b>			
Data Asset Loss	\$2,000,000	\$2,000,000	\$2,000,000
Business Interruption - Security Event	\$2,000,000 <i>Waiting Period: 18 Hours</i>	\$2,000,000 <i>Waiting Period: 12 Hours</i>	\$2,000,000 <i>Waiting Period: 12 Hours</i>
Business Interruption - System Failure	\$2,000,000	\$2,000,000	\$2,000,000
Dependent Business Interruption	\$500,000	\$1,000,000	\$2,000,000
Bricking (Computer Hardware Replacement Costs)	\$2,000,000	\$2,000,000	\$1,000,000
Reputational Loss	\$2,000,000	\$2,000,000	\$2,000,000
Cryptojacking	\$2,000,000	\$2,000,000	\$150,000
<b>Multimedia Liability</b>	\$2,000,000	\$2,000,000	\$2,000,000
<b>eCrime Loss</b>			
Social Engineering	\$250,000	\$250,000	\$150,000*
Fraudulent Funds Transfer	\$250,000	\$250,000	Not Included
Telephone System Fraud	\$250,000	\$250,000	\$150,000
Invoice Manipulation	\$250,000	\$250,000	\$150,000
Cyber Crime Loss	Not Included	Not Included	\$150,000
<b>Cyber Extortion Loss</b>	\$1,900,000	\$2,000,000	\$2,000,000
Cyber Extortion Coinsurance	10%	None	None
Forensic Accounting Services	Not Included	Not Included	\$75,000

Coverage enhanced compared expiring

Coverage limited compared to expiring

\*Commercial Crime Coverage is available to LFUCG, please inquire if interested.

Notable Provisions	Expiring <i>Crum &amp; Forster</i>	Renewal <i>Crum &amp; Forster</i>	Alt. Option <i>Berkley</i>
Retention	\$100,000	\$100,000 \$50,000 retention option available	\$150,000 \$250,000 retention option available
<b>Indemnity Period (days)</b>			
Business Interruption	90 Days	90 Days	180 Days
Reputational Loss Event	120 Days	120 Days	60 Days or until net profits restored
Full prior acts	Yes	Yes	Yes
Voluntary Shutdown	Included	Included	Included
Breach Response Outside the Limit	Yes - if panel vendors from insurer used	No	No
Policy Territory	Anywhere in the world except countries or states against which the United States has implemented trade or diplomatic sanctions.	Anywhere in the world except countries or states against which the United States has implemented trade or diplomatic sanctions.	Applies to Claims made, acts committed, or Loss occurring anywhere in the world.
Cyber Risk Solutions Services	<p><u>Post Loss:</u> Up to \$10,000 for consultant to improve/upgrade security and lesser of \$25,000/10% of covered claim costs incurred through covered event.</p> <p><i>Part of, and not in addition to Limit of Liability</i></p>	<p><u>Post Loss:</u> Up to \$10,000 for consultant to improve/upgrade security and lesser of \$25,000/10% of covered claim costs incurred through covered event.</p> <p><i>Part of, and not in addition to Limit of Liability</i></p>	<p><u>Pre-Breach:</u> Return premium equal to 10% of total annual premium approved security upgrades.</p> <p><i>In addition to Limit of Liability</i></p>
Costs/Expenses to comply with injunctive/non-monetary relief for covered Claim Sublimit	\$2,500	\$2,500	Included in definition of Damages
Extended Reporting Period	1 year - 100% of annual premium 2 years - 150% of annual premium 3 years - 175% of annual premium	1 year - 100% of annual premium 2 years - 150% of annual premium 3 years - 175% of annual premium	1 year - 75% of annual premium 2 years - 150% of annual premium 3 years - 200% of annual premium
Subsidiary Threshold	15%	15%	20%

Crum & Forster - Cyber Endorsements	
Form Number	Form Title
CS 07 001 01 21	Signature Page (Crum and Forster Insurance Company)
IL P 001 01 04	U.S. Treasury Department's (OFAC) Advisory Notice to Policyholders
SOP CF 07 16	Service of Process Clause (C&FS)
SC-TRIA-001 (08/20)	Disclosure Pursuant to Terrorism Risk Insurance Act
SC-END-001 (08/18)	Cap on Losses from Certified Acts of Terrorism
SC-END-091 (09/22)	Breach Costs Aggregate Limit Endorsement <b>*New</b>
SC-END-111 (07/22)	Choice of Law – NJ Endorsement <b>*New</b> <b>Requires further discussion if option selected by LFUCG.</b>
SC-END-114 (09/22)	Web Tracking Exclusion Endorsement <b>*New</b>
SC-END-113 (08/22)	Wrongful Collection Exclusion Endorsement <b>*New</b>

Berkley CyberRisk - Cyber Endorsements	
Form Number	Form Title
BAC-E906 (08/21)	Service of Suit
CYB000012 (02/18)	Reliance Upon Other Insurer's Application Endorsement
CYB000015 (12/18)	System Failure Business Interruption- Scheduled Outsourced Provider with Sublimit Endorsement - <b>Any</b>
CYB000019 (02/18)	Contingent Business Interruption- Blanket Outsourced Provider Endorsement
CYB000057 (02/18)	Media Endorsement
CYB000082 (12/20)	Telecommunication Fraud Coverage Endorsement - <b>\$150,000 Limit</b>
CYB000085 (02/18)	Cap on Losses From Certified Acts of Terrorism
CYB000113 (05/18)	BYOD Endorsement
CYB000119 (12/20)	Voluntary Shutdown Endorsement - <b>Period of Restoration: 14 days</b>
CYB000134 (12/20)	Cryptojacking Endorsement - <b>\$150,000 Limit</b>
CYB000136 (12/20)	Invoice Fraud Coverage Endorsement - <b>\$150,000 Limit</b>
CYB000155 (12/20)	Bricking Amended Endorsement - <b>\$1,000,000 Limit</b>
MS132 (12/20)	Amended Premier Protect Endorsement <b>Forensic Accounting - \$75,000 Limit</b>
MS260 03/23	Social Engineering Validation Endorsement - As a condition to Social Engineering Coverage, the following conditions must be met. <b>Insured</b> must verify the details of the instruction: <ul style="list-style-type: none"> <li>a. with a person other than the person providing the instruction, using a telephone number previously on file for authentication,</li> <li>b. with a person other than the person providing the instruction, using an email address with a recognized company domain and previously on file for authentication; or</li> <li>c. using a unique authentication code, password, or security question.</li> </ul> <p><i>*Can be removed, will result in Social Engineering Limit decreased to \$50k. See subjectivities.</i></p>
MS69 (10/22)	Breach Counsel Retention Endorsement: <b>Outside counsel - \$150,000 retention Counsel selected from Insurer's Panel - \$50,000 retention</b>
Notice (01/15)	Policyholder Disclosure Notice of Terrorism Insurance Coverage
CYB000130 (12/20)	Data Protection Regulation – Regulatory Endorsement - <b>\$1,000,000 Limit for Regulatory Claims which do not allege a Privacy Event</b>

## Executive Summary – Cyber Liability

In preparation for **Lexington Fayette Urban County Government's** July 1, 2023, Cyber Liability Renewal, a strategy session was conducted on March 22<sup>nd</sup>, 2023 to set appropriate goals and expectations. Summary comments below illustrate the results of such strategic effort.

Highlights	Key Points
<p><b>Controls Positively Impacting Renewal Strategy</b></p>	<p>The significant investments into LFUCG's security allowed for strong negotiations in the cyber insurance marketplace and did not go unnoticed by our carrier partners. All controls outlined below played a significant role in the positive outcome of this renewal:</p> <ul style="list-style-type: none"> <li>• Password Management Solution purchased by Delinea (<i>update?</i>)</li> <li>• Email &amp; Account Security controls: <ul style="list-style-type: none"> <li>○ Geo-blocked network access</li> <li>○ 16-character passwords with common words/phrases excluded</li> </ul> </li> <li>• OnBase document management system - encryption module enabled for documents containing sensitive information.</li> <li>• Incident Response plan in place in addition to ransomware tabletop exercise(s).</li> <li>• Backup procedures: <ul style="list-style-type: none"> <li>○ IBM's Tivoli Enterprise backup solution ran daily consisting of copies of backups in disk pools/tapes with automated processes designed to facilitate this process.</li> <li>○ Access to any/all backups located at Government Center DataCenter limited to authorized employees only.</li> </ul> </li> </ul> <p>Improvements/revisions to Wire Transfer policies/procedures in collaboration with the Secret Service following social engineering claim in August of 2022 allowed for minimized concern from alternative/approached carrier partners.</p>
<p><b>Competitive Renewal Terms</b></p>	<p>Comprehensive marketing effort and robust negotiations resulted in a competitive cyber liability alternative provided by Berkley CyberRisk. Should this option be selected, <b>the result year over year would be a 9.8% decrease per expiring annual premium (-\$7,640)</b>, where ratable (revenue) increased 8% (\$349M vs. \$377M). Allowing for an overall rate decrease of 16.5%.</p> <ul style="list-style-type: none"> <li>• Flat renewal option offered from incumbent Crum &amp; Forster at \$78K.</li> <li>• Coverage remains inclusive of major insuring agreements &amp; market competitive coverage.</li> </ul>
<p><b>Berkley CyberRisk – Coverage Enhancements</b></p>	<p>Alternative cyber liability option offered by Berkley CyberRisk consists of multiple coverage enhancements, including:</p> <ul style="list-style-type: none"> <li>• Dependent Business Interruption: 2M limit (<i>1M on incumbent</i>)</li> <li>• Cyber Crime Loss: \$150,000 (<i>previously not included</i>)</li> </ul>

	<ul style="list-style-type: none"> <li>• Period of Restoration (Bus. Interruption): 180 Days (<i>90 days on incumbent</i>)</li> <li>• Forensic Accounting Services: \$75,000 limit to assist in calculating business interruption costs/expenses (<i>previously not included</i>)</li> <li>• Policy Territory: anywhere in the world (<i>previously excluded covered events stemming from countries in which the U.S. has implemented trade or diplomatic sanctions.</i>)</li> </ul>
<b>Crum &amp; Forster – Renewal Changes</b>	<p>Multiple areas of coverage that had been restricted in past years have been restored to full limits or increased on the incumbent, Crum &amp; Forster's, renewal option. Including:</p> <ul style="list-style-type: none"> <li>• Dependent Business Interruption: increased to 1M (from 500K)</li> <li>• Cyber Extortion: Coinsurance removed, 2M limit</li> <li>• Waiting period: decreased to 12 hours (from 18 hours)</li> </ul> <p>Restrictions in coverage:</p> <ul style="list-style-type: none"> <li>• Web Tracking Exclusion added</li> <li>• Wrongful Collection Exclusion added</li> <li>• Breach Costs Aggregate Limit Endorsement Added – <i>removes policy language stating Breach Costs are in addition to aggregate limit of liability if vendors recommended by the insurer are selected.</i></li> </ul>

## Premium Summary and Comparison

Carrier Options	Expiring Premium	Proposed Premium
<b>Crum &amp; Forster - Incumbent</b> <b>Option #1</b> ( <i>expiring</i> ): \$2M limit, \$100k retention <b>Option #2</b> : \$2M limit, \$50k retention	\$78,000	\$78,000 \$82,000 +SLT/Fees
<b>Berkley CyberRisk – <i>*New Alternative Option</i></b> <b>Option #3</b> : \$2M limit, \$150k retention <b>Option #4</b> : \$2M limit, \$250k retention		\$70,360 \$59,908 +SLT/Fees

### SUMMARY ONLY

No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.

### CLAIMS MADE

For Claims Made coverage, Cyber Liability coverage is generally limited to liability for Claims first made against Insureds during the policy period and conditioned upon notice being timely provided to the Insurer as required in each policy. See *notice and reporting* sections in respective policies for detail

## Marketing Responses

Insurer	Response
<b>AIG</b>	Would require underwriting call and ransomware supplemental application to be completed
<b>AmBridge</b>	Declined - Public entity appetite limited to smaller municipalities
<b>AmTrust</b>	Declined - Governments/municipalities restricted class of business
<b>Arch</b>	Declined - Not writing primary for public entities
<b>AWAC</b>	Decline - Restricted class of business
<b>AXA XL</b>	Not competitive - indication of 2M x 500k = \$150k
<b>AXIS</b>	Decline - lacking full implementation of PAM solution
<b>Berkley</b>	<b>Quoted</b> - 2M x 150k = <b>\$70,360</b> (+SLT/fees)   2M x 250k = <b>\$59,908</b> (+SLT/fees)
<b>CFC</b>	Decline - government entities not within appetite
<b>Chubb</b>	Decline - unable to consider new cyber policies for Public Entities
<b>Corvus</b>	Decline - can only consider municipalities with <200k population
<b>Coalition</b>	<b>Quoted</b> - <b>~\$69k premium</b> . 25% coinsurance on cyber extortion claims due to MFA/PAM solution not being fully implemented on privileged accounts at policy inception.
<b>Cowbell</b>	Declined - Exposure too large for appetite
<b>Crum &amp; Forster</b>	<b>Quoted - Incumbent</b> 2M limit/100k retention = <b>\$78,000</b>   2M limit/50k retention = <b>\$82,000</b> Web tracking and wrongful collection endorsements added. Ransomware limits restored to policy aggregate, Dependent Business Interruption increased to \$1M from \$500K.
<b>Emergin</b>	Declined - only writing excess cyber for public entities/municipalities
<b>Ironshore</b>	Decline - Restricted class of business
<b>Resilience</b>	Indication of 2M x 250k = 77k premium, with 250k ransomware sublimit: concern around lack of phishing training
<b>Sompo</b>	Declined - due to class of business.
<b>Starr</b>	Decline - would need all DA accts secured with MFA at policy inception
<b>Tokio Marine HCC</b>	Declined - will only consider municipal risks with <150k citizens. Do not consider Huntress an EDR product - lacks automated remediation functionality. Would require additional MFA on all privileged user accounts.
<b>Travelers</b>	Decline - timeline for implementation too long given size/class of business.
<b>Zurich</b>	Declined - no new capacity for government entities

## Program Options & Recommendations

Topic	Option
Property Auto Physical Damage Limit	Increase the Auto Physical Damage Limit to \$25,000,000 – Estimate of \$65,000 additional premium.
General Liability Products-Completed Operations Aggregate Limit and General Aggregate Limit	Looking at options for additional \$2,000,000 Limits
Cyber	<ul style="list-style-type: none"> <li>For any Claims received to date or for any acts, Wrongful Acts or situations that could result in a Claim, <b>Lexington Fayette Urban County Government</b> should notice their current insurers prior to 12:01 a.m. on 7/1/2023</li> <li>Additional limits are available to Lexington Fayette Urban County Government, please inquire for further information. If higher limits are purchased, a higher limits warranty is required. If applicable, higher limit warranty wording will be emailed. Documents will have to be completed, signed and dated on the Insured's letterhead.</li> </ul>

## Non-Admitted Carrier Disclaimer

We have proposed your coverage with non-admitted insurance carriers.

“Non-admitted Carriers” also known as Surplus Lines Carriers were developed to insure those exposures that are not traditionally available in the standard insurance market.

A “Non-admitted Carrier” is not supported by state guarantee funds and in the event of carrier insolvency, the state guarantee fund will not be available to pay claims.

“Nonadmitted Carriers” are generally not subject to the same level of financial regulation by your individual state insurance department therefore, the financial rating for a “Non-admitted Carrier” is of importance.

This proposed insurance coverage is being quoted to you under your State’s Surplus Lines Insurance Act. The insurer is an eligible Surplus Lines Insurer.

This(These) policy(ies) is(are) not included for coverage under your State’s Insurance Guaranty Association.

State	Carrier	Coverage
KY	Illinois Union Insurance Co.	Pollution
KY	Westchester Fire Insurance Co.	Aviation
KY	Gemini Insurance Co.	Excess Liability
KY	Berkley Assurance Co.	Cyber Liability



## AM Best Rating Scale

BEST'S FINANCIAL STRENGTH RATING GUIDE – (FSR)			
<p>A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does 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. An FSR 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 addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.</p>			
Best's Financial Strength Rating (FSR) Scale			
Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance 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.
Marginal	C+	C++	Assigned to insurance 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.
Weak	C	C-	Assigned to insurance 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.
Poor	D	-	Assigned to insurance 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.
<p>* Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+", or a minus "-".</p>			
Financial Strength Non-Rating Designations			
Designation Symbols	Designation Definitions		
E	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.		
F	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.		
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.		
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best.		
Rating Disclosure – Use and Limitations			
<p>A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.</p>			
<p>BCRs are distributed via the AM Best website at <a href="http://www.ambest.com">www.ambest.com</a>. For additional information regarding the development of a BCR and other rating-related information and definitions, including outlooks, modifiers, identifiers and affiliation codes, please refer to the report titled "Understanding Best's Credit Ratings" available at no charge on the AM Best website. BCRs are proprietary and may not be reproduced without permission.</p>			
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## Client Authorization to Bind Coverage

### LINES OF COVERAGE TO BIND

Coverage Description	Effective Dates
Property	07/01/2023 – 07/01/2024
Commercial General Liability, Commercial Auto, Public Entity Liability and Employment Practices Liability, Law Enforcement Liability	07/01/2023 – 07/01/2024
Excess Workers' Compensation	07/01/2023 – 07/01/2024
Excess Liability (\$5M x \$5M)	07/01/2023 – 07/01/2024
Aviation	07/01/2023 – 07/01/2024
Pollution Legal Liability	07/01/2023 – 07/01/2024
Network Security (Cyber) Privacy Liability	07/01/2023 – 07/01/2024

(Please initial)

\_\_\_\_\_ Bind as Proposed

\_\_\_\_\_ Bind with the following changes

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

Title/Position \_\_\_\_\_

Date \_\_\_\_\_

No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.

## Compensation Disclosure and Limitation of Liability

Marsh & McLennan Agency LLC (“MMA”) prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf;

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.
- **Client Fees** – Some clients may negotiate a fee for MMA’s services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA’s engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client’s placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer’s performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.
- **Medallion Program and Sponsorships** – Pursuant to MMA’s Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.
- **Other Compensation & Sponsorships** – From time to time, MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at <https://www.marshmma.com/us/compensation-guide.html>.

MMA's aggregate liability arising out of or relating to any services on your account shall not exceed ten million dollars (\$10,000,000), and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

Rev September 8, 2022

## Minimum Earned & Deposit Premiums

### Minimum Deposit

Minimum and deposit is the amount of premium due at inception. Although the policy is “ratable”, subject to adjustment based on a rate per exposure unit, under no circumstances will the annual earned premium be less than the minimum deposit premium. The policy may generate an additional premium on audit, but will not result in a return. If such a policy is cancelled mid-term, the earned premium is the greater of the annual minimum multiplied by the short rate or pro-rate factor, or the actual earned as determined by audit, subject to a short rate penalty if applicable.

### Minimum Earned Premium

A minimum earned premium endorsement can be attached to either a flat charge policy or an adjustable policy. In either case, this amount is the least that will be retained by the carrier once the policy goes into effect. The amount retained would be the greater of the actual earned premium whether calculated on a pro-rate or short-rate basis, or the minimum earned premium.

### Flat Cancellations

Surplus lines carriers typically do not allow flat cancellations. Once the policy is in effect, some premium will be earned, and the amount or percentage is outlined in the policy.

### Direct Bill Policies

Notices you receive from your insurer regarding past due premiums or cancellation due to non-payment of premium shall be considered notice from Marsh & McLennan Agency LLC (MMA). As a matter of general practice, MMA does not provide notice of a potential lapse of coverage due to non-payment of premium to clients where coverage is written on a direct bill basis.

## Proposal Disclaimer

Marsh & McLennan Agency LLC (“MMA”) thanks you for the opportunity to discuss your insurance and risk management program. No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.

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, MMA 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, MMA is not providing legal advice or a legal opinion concerning any portion of the contract. In addition, MMA 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.

## Credit Policy

Marsh & McLennan Agency (MMA) strives to offer the highest quality of service at the most competitive price possible. Accordingly, we have the following credit policy in place to assure that your coverage is not interrupted during the policy term.

All premiums are due on the invoice date or effective date of the insurance, whichever is later. Always submit the remittance copy with your payment. If a remittance copy is not submitted, we will apply the cash to the oldest items on the account. Also, credit memos that cannot be applied against the original invoice will be applied to the oldest items on the account unless you direct us otherwise.

If installment payments are available and provided under insurance policy terms, you will receive an invoice for each installment. Installments are due on the effective date of the invoice. MMA does not finance annual or installment premiums. However, should you wish to finance your premium, we can place your financing with an approved insurance premium finance company.

Your Account Manager maintains on-line access to all of your coverage, premium and accounting detail and will be able to answer most billing questions. Any other questions will be referred directly to our accounting department for immediate response. We thank you for your support and business.

Did you know Marsh & McLennan Agency offers two options to pay your bill online, using a valid checking/savings account or via credit card? Our system is safe and secure and is an easy tool to pay your invoices online.

### PAY YOUR BILL ONLINE

Direct Link to Payment via Checking/Savings Account: <https://serviceapi.securfee.com/marshmma>

Direct Link to Payment via Credit Card: <https://serviceapi.securfee.com/marshmma>

### FREQUENTLY ASKED QUESTIONS

- You can pay any invoice using a valid Checking or Savings account or Credit Card.
- Both payment gateways seamlessly integrate with our existing website and can securely accept multiple payment options.
- Credit Card payments require a Policy Number, Named Insured & Address
- There will be a 3.5% fee charged to the cardholder by Secure.
- Checking/Savings payments require a Client Code/Bill to Code, Invoice #, Invoice Amount, Email Address, Policy Number, Named Insured & Address
- There is no additional fee for payments via valid Checking/Savings Account.