

Proposal of Insurance for:

Tipton Community School Corporation

1/1/2022 to 1/1/2023

Presented by:

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Insurance Program Summary
PROPOSAL INFORMATION

Proposal Information

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

Our overriding desire is to provide great customer service, having you, the customer, believe we have earned our compensation. We believe in full disclosure of our compensation. Accordingly, if you have any questions about the compensation we receive from your policies (including policies we propose to you), please just ask your account representative, who will gladly provide you a summary of our compensation arising from your policies (some estimation may be necessary, for example where contingents are involved).



AssuredPartners

Insurance Program Summary
SERVICE TEAM

Your AssuredPartners Service Team		
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NEW CLAIMS	REPORTING NEW LOSSES ONLY	Apin.claims@assuredpartners.com
Your AssuredPartners Servicing Office		
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Insurance Program Summary
NAMED INSUREDS

Named Insureds
Tipton Community School Corporation

Insurance Program Summary
WORKERS' COMPENSATION

Workers' Compensation – Part I	
Statutory Limits	IN

Employers Liability – Part II	
Bodily Injury by Accident - Each Accident	\$1,000,000
Bodily Injury by Disease - Policy Limit	\$1,000,000
Bodily Injury by Disease - Each Employee	\$1,000,000

Other States – Part III	
Other States Coverage	N/A

Experience Modification Factor:	N/A
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State	Code	Classification Description	21-22 Payroll	22-23 Payroll
IN	7380	Drivers	\$363,744	\$374,230
IN	8868	School: Professional & Clerical	\$7,784,686	\$7,804,637
IN	9101	School: All Other Employee	\$762,279	\$610,282
		TOTAL:	\$8,910,709	\$8,789,149

The estimated annual payroll used for rating was provided by Tipton Community School Corporation. At the end of the policy term, the premium may be adjusted based on the actual payroll. This adjustment could result in additional premium due.

Exclusions
Refer to policy for specific exclusions

Insurance Program Summary
PREMIUM COMPARISON

Tipton Community School Corporation	
Policy Period:	1/1/2022 to 1/1/2023

Coverage	Insurer	AM Best	2021-22	2022-23
Workers Comp – Excess Layer – Total Administrative Costs	Midwest Employers Casualty Company	A+XV	\$25,194	\$23,294

Optional Workers' Comp Guaranteed Cost Quotes	
State Auto - \$44,822	
Accident Fund - \$42,517	
ClearPath - \$43,242	

Payment Plans	
Direct Company Bill – Midwest Employers WC Excess Policy	
Direct Company Bill – TPA Service Fee	

Timely payment of your insurance premium is critical. Please note the due dates on the invoices you receive and remit payments promptly. Late notices and/or notices of cancellation for non-payment from your insurance company or premium finance company can result in substantial late charges, and in some cases, a refusal to continue coverage.

Please let us know if you are interested in electronic fund transfer or automatic withdrawal payment options.

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

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

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

What Do We Think?

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



Insurance Program Summary

AM BEST RATINGS

Assured Partners advises Clients to select insurance companies with an A.M. Best rating of A or higher, and financial size category of VI or higher

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

Financial Size Category (FSC)

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

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