



# Insurance 101

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# Insurance 101



Western KY Tornado  
\$45,000,000







# Understanding a Policy

## All are not Equal



- Property Coverage
  - Property Schedule / TIV
  - Equipment Schedule / Inland Marine
- General Liability
  - Public Officials Liability / Professional Liability
  - Auto Liability
  - Cyber Coverage
  - Sewer Coverage
- Workers Compensation Coverage

# Insurance Roles

- Insured
- Agent
- Carrier
- Underwriting
- Claims
- Risk Management

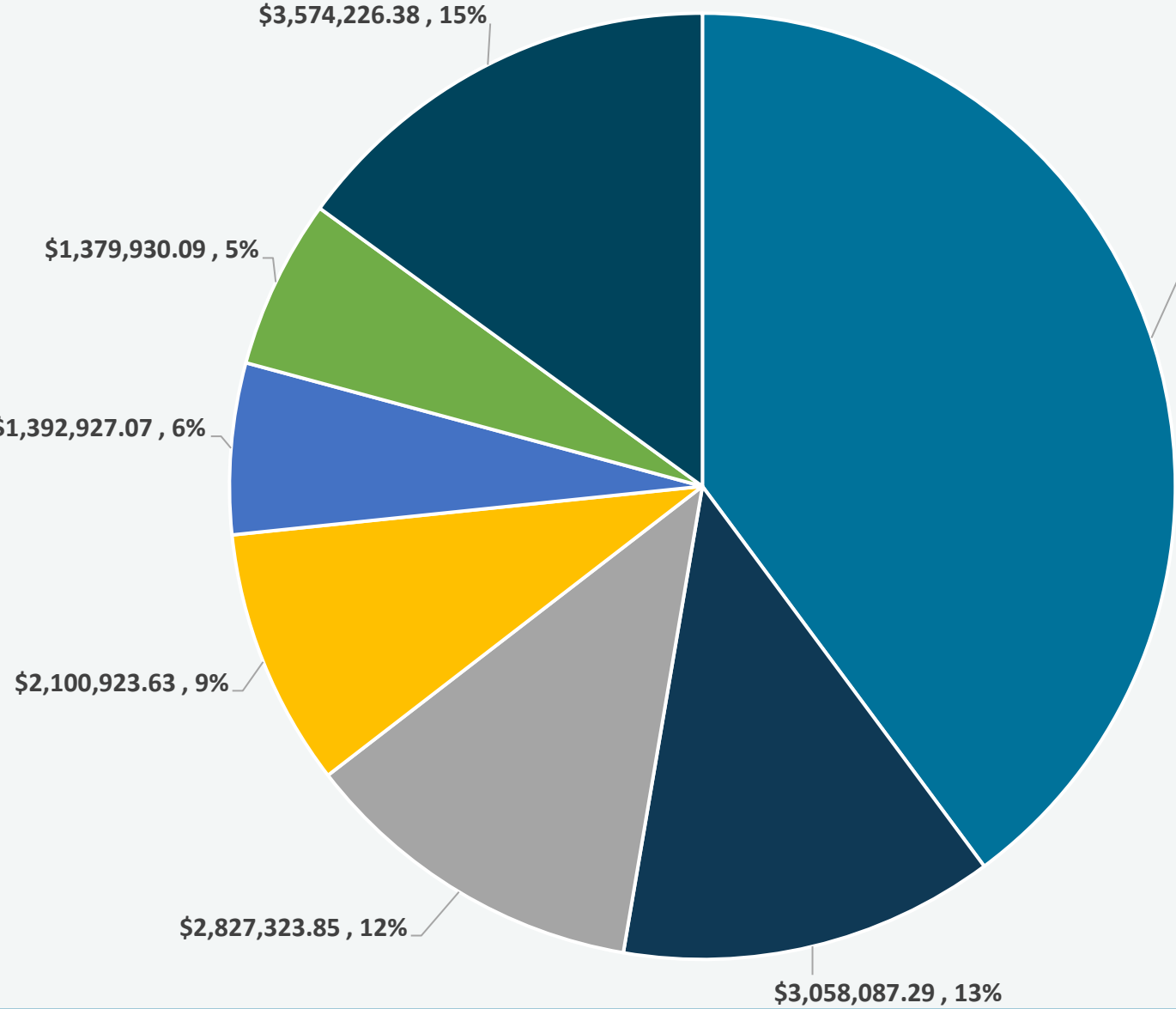




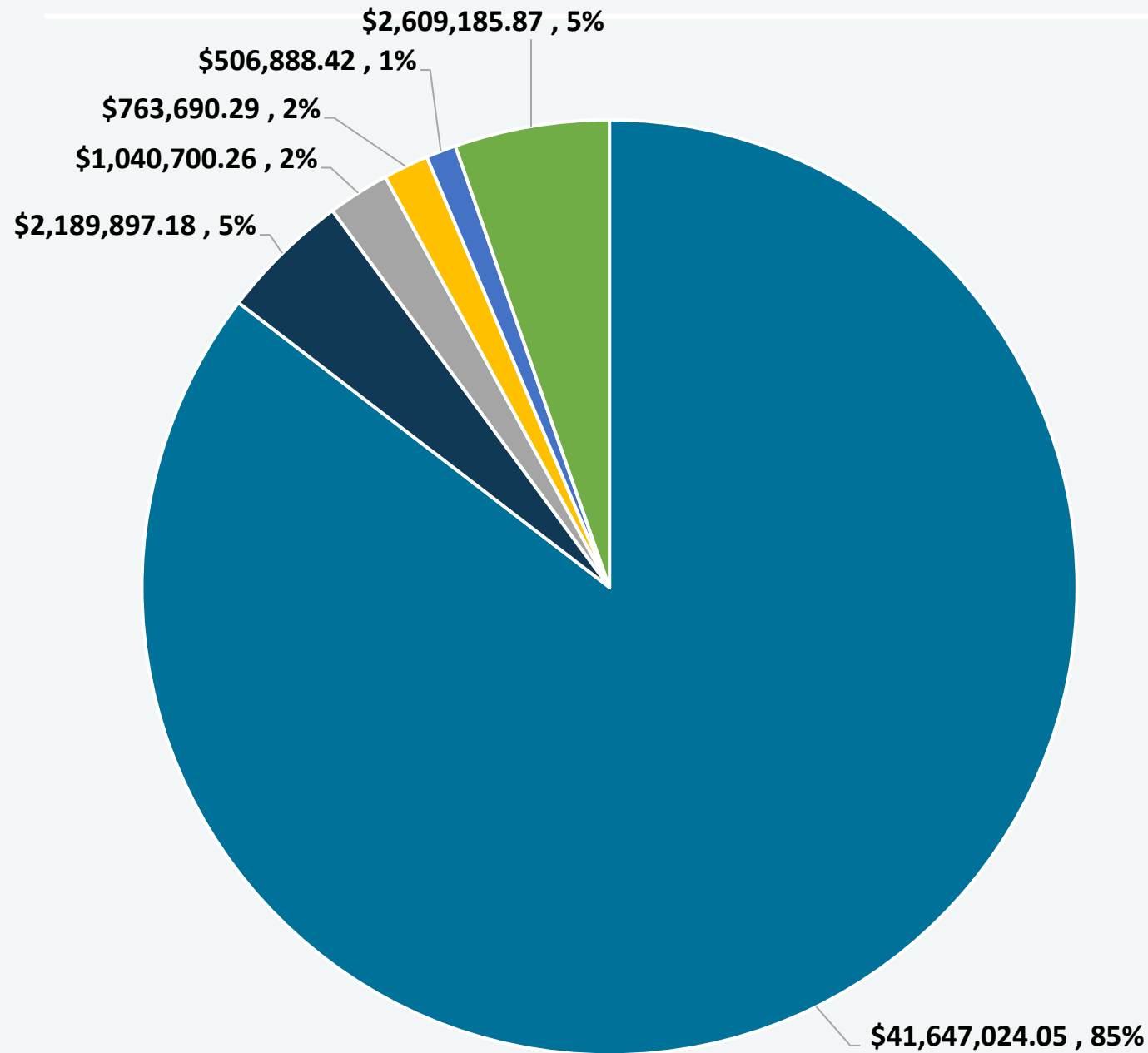
# Understanding A Policy

- Peril
- Limit
- Deductible
- Aggregate/Umbrella
- Actual Cash Value/ACH
- Replacement Cost
- Exclusion

# Liability Claims (Incurred Loss < \$1mil)

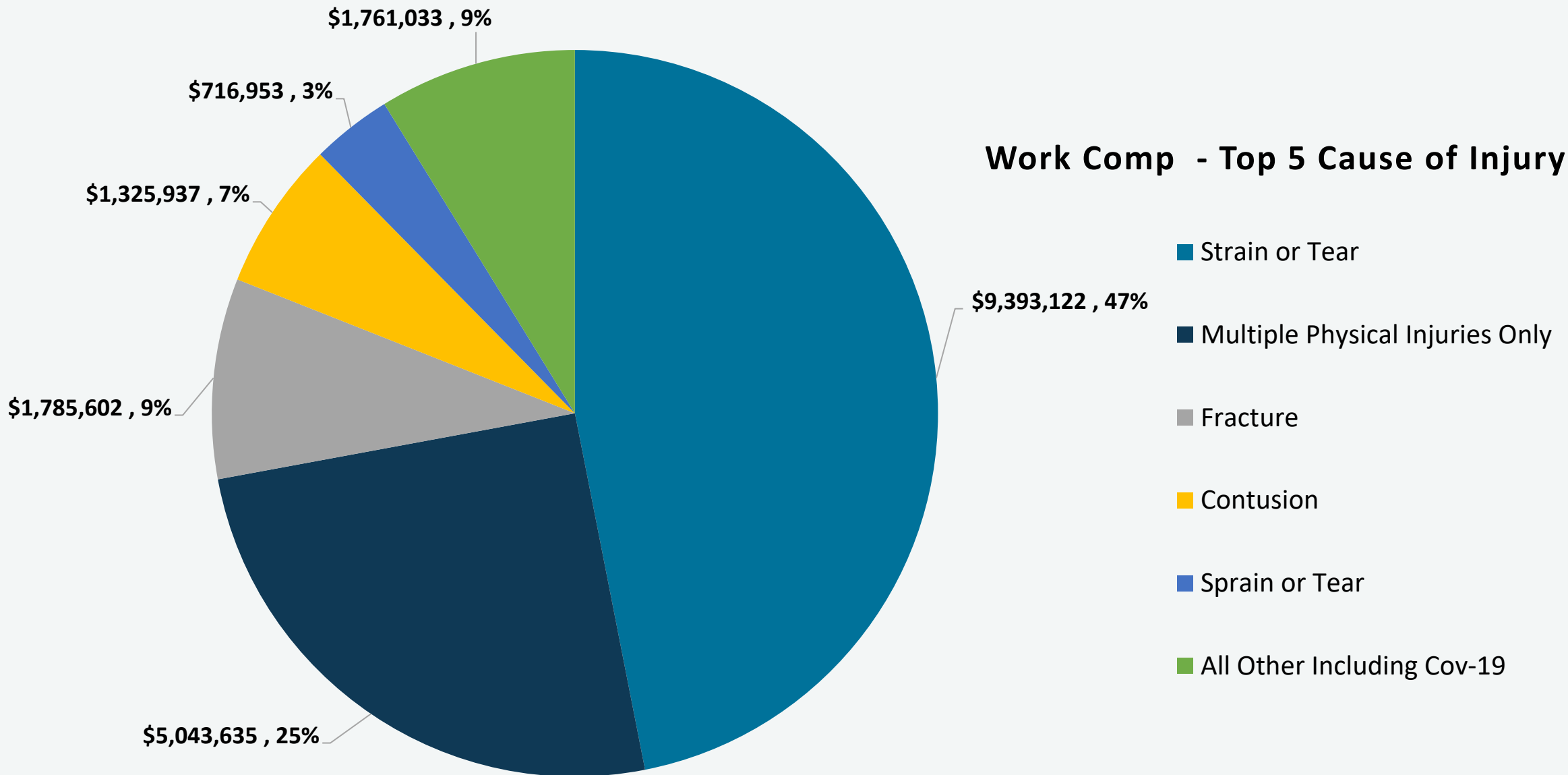


- AUTO Insured Vehicle Struck by Other Vehicle
- AUTO In Lane Accidents
- AUTO Personal Injury Protection-Non Collision
- AUTO Comprehensive/Other Than Collision
- AUTO Lane Change
- AUTO Struck Stationary Object
- All Other



## Property - Top 5 Cause of Loss

- PROP Wind
- PROP Accidental Fire Damage
- PROP Lightning Strike
- PROP Flood
- PROP Impact by Vehicle or Accessory
- All Other



# Moral Obligation vs Legal Obligation



October 30, 2020

# Attorney General Defends Attack on CALGA

On October 28, 2020, Attorney General Daniel Cameron filed a motion to intervene in a civil action in defense of the Claims Against Local Governments Act (CALGA). The underlying case is a tort action against the City of Murray that was filed in Calloway Circuit Court and includes a direct attack on the statutory bar against the award of punitive damages against local governments contained in CALGA.

Protection from the assessment of punitive damages afforded to cities under CALGA is vitally important to city operations and taxpaying citizens. Kentucky Courts have previously recognized CALGA as a carefully crafted statutory scheme that strikes a balance to preserve pre-existing municipal tort liability while specifically limiting the amount of damages recoverable for negligence claims against local governments. This balance allows for adequate compensation to persons injured by a local government's tortious acts for which there is no immunity and protects the taxpayer who is likely to experience increased taxes and decreased public services, should a local government sustain a substantial punitive damages award.

Kentucky law authorizes, but does not require, the attorney general to intervene in cases that challenge the constitutionality of state law. In recognition of the vital public policy served, the Attorney General joined the City of Murray to preserve CALGA protections. KLC is actively engaged with this case and will provide updates as it progresses through the courts.

It's the second time the farmer's market project has suffered a collapse. In September, no one was reported injured when a portion of the roof trusses fell. No one was reported injured in that incident, but the project was delayed until just a few days ago.



# What is a Risk:


A risk is any uncertain event or condition that could affect the business.

- Risk Avoidance
- Risk acceptance/Risk Sharing
- Risk Mitigation
- Risk Transfer





# How did we get here? Decisions, inaction, errors lead to huge rate hike proposal

By Mike Scogin [mscogin@news-graphic.com](mailto:mscogin@news-graphic.com) Nov 25, 2022 

<b>PROPOSED RATE PLAN AND CUSTOMER BILL COMPARISONS</b>							
	Existing Rates	Jan. 2023	Jan. 2024	Jan. 2025	Jan. 2026	Jan. 2027	Jan. 2028
	A	B	C	D	E	F	G
<b>WATER CUSTOMERS</b>	<b>13.49</b>	<b>18.75</b>	<b>22.31</b>	<b>23.43</b>	<b>24.60</b>	<b>25.83</b>	<b>27.12</b>
Minimum Charge - First 2 kGal (\$/mo)	<b>7.2800</b>	<b>10.1192</b>	<b>12.0418</b>	<b>12.6439</b>	<b>13.2761</b>	<b>13.9399</b>	<b>14.6369</b>
All Additional Consumption (\$/kGal)							
<b>SEWER CUSTOMERS</b>	<b>12.42</b>	<b>17.26</b>	<b>20.54</b>	<b>21.57</b>	<b>22.65</b>	<b>23.78</b>	<b>24.97</b>
First 2 kGal (\$/mo)	<b>7.8800</b>	<b>10.9532</b>	<b>13.0343</b>	<b>13.6860</b>	<b>14.3703</b>	<b>15.0888</b>	<b>15.8433</b>
All Additional Flow (\$/kGal)							
<b>COMBINED WATER AND SEWER BILL (2,000 GAL)</b>	<b>25.91</b>	<b>36.01</b>	<b>42.86</b>	<b>45.00</b>	<b>47.25</b>	<b>49.61</b>	<b>52.09</b>
<b>DIFFERENCE</b>	<b>-</b>	<b>\$10.10</b>	<b>\$6.84</b>	<b>\$2.14</b>	<b>\$2.25</b>	<b>\$2.36</b>	<b>\$2.48</b>

# Take Aways

- Know who to call in the event of emergency.
- Train staff what to say and not to say.
- Are you adequately covered today?
- Review, update Property / Equipment Schedules
- What is excluded?



**THANK YOU**

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