
**BUTLER COMMUNITY COLLEGE
BOARD OF TRUSTEES
SPECIAL BOARD MEETING & WORK SESSION
4:30 p.m., Monday, June 26, 2023 – Dankert Trustee Board Room**

4:30 p.m. Special Board Meeting – Dankert Trustee Board Room, Upper Level of the Hubbard Welcome Center, 901 S. Haverhill Road, El Dorado, Kansas.
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Board Work Session

SPECIAL BOARD MEETING

- I. **CALL TO ORDER (4:30pm)**
- II. **PLEDGE OF ALLEGIANCE (4:30pm)**
- III. **APPROVAL OF AGENDA (4:30pm)**
- IV. **PUBLIC COMMENT (4:35pm)**
If you wish to address the Board during Public Comment, please complete this form:
<https://bit.ly/3ioB30n>
- V. **BOARD ACTION ITEMS**
A. Property and Liability Insurance – KERMP (Williams)
- VI. **ADJOURNMENT**
- VII. **BOARD WORK SESSION**

TOPIC for ACTION
Property and Liability Insurance - KERMP

REPORT:

The final KERMP pricing sheet and coverage summary for the 2023-2024 property and liability insurance are shown below.

RECOMMENDED ACTION:

Approve the KERMP insurance premium for 2023-2024 in the amount of \$854,160.60 as detailed on the attached pricing summary and coverage summary.

RECOMMENDED FUNDING SOURCE:

General Fund Budget

Submitted by: Kent Williams, Vice President Finance

Supervisor: Dr. Kim Krull, President

Date: June 20, 2023



Kansas Educational Risk Management Pool, LLC
July 1, 2023 to July 1, 2024

District: Butler Community College

Property Deductible: \$50,000 AOP/\$500,000 Wind & Hail/\$100,000 Water

Fixed Costs	2023-2024 Renewal
Reinsurance Package*	\$57,960.96
Reinsurance Excess Property*	\$416,080.74
Boiler & Machinery	\$4,233.41
Cyber Liability* - \$2,000,000 Limit / \$15,000 Deductible	\$34,383.89
Gallagher Crisis Response*	\$9,311.04
Pollution Liability*	\$5,711.00
RPA Risk Management Fee	\$52,133.41
Conrade Local Agent Fee	\$52,133.41
KASB Endorsement	\$17,377.80
Gallagher Bassett Claims Administration Fee	\$3,317.15
Gallagher Bassett Loss Control Fee	\$1,000.00
KERMP Program Management Operating Fee	\$2,803.37
Total Fixed Costs	\$656,446.18

*Includes 6% Surplus Lines Tax

Variable Costs	2023-2024 Renewal
Loss Fund (includes actuarial debit/credit**)	\$146,977.00
KS State Tax (1% of Non-Insurance Expenses)	\$3,187.42
Corridor Deductible (Property & Casualty Combined)	\$43,000.00
Total Program Contribution on a Maximum Cost Basis	\$849,610.60

Adjustments	Amount
2022-2023 Property Appraisal	\$5,080.00
2022-2023 Cyber Premium Adjustment	\$424.00
2022-2023 Package Adjustment	\$(954.00)
Total Adjustments	\$4,550.00

Total Amount Due for July 1, 2023-2024	\$854,160.60
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** The actuarial debit/credit system for the 2023-2024 renewal is based on 2023-2024 individual annual contribution by member. This system is based on incurred losses by member as well as 2023-2024 exposures by member and is computed by an independent third party.

Kansas Educational Risk Management Pool, LLC
Coverage Summary Outline
Effective July 1, 2023 to July 1, 2024

Coverage	Limits, Deductibles/Retentions
Property	Limits of Coverage in Any One Occurrence
Reinsurance Carriers = Multiple Carriers	\$400,000,000 Loss Limit of Coverage Buildings: Included in Loss Limit of Coverage Personal Property: Included in Loss Limit of Coverage \$1,000,000 Business Income for any One Member \$25,000,000 Earthquake \$25,000,000 Flood Auto Physical Damage - Included \$600,000 Self-Insured Retention Property Maintenance Deductible Varies by Member \$1,000 APD Deductible Over the Road Only APD Vehicles on premises = Property AOP or Wind/Hail Deductible Valuation = Replacement Costs
General Liability	Per Occurrence
Reinsurance Carrier = Underwriters at Lloyd's, London	\$2,000,000 Each Occurrence \$4,000,000 General Aggregate \$2,000,000 Personal & Advertising Injury Limit - Any One Person or Organization \$4,000,000 Products/Completed Operations Aggregate \$1,000,000 Damage to Premises Rented to You - Any One Person \$5,000 Medical Expense - Any One Person \$100,000 Self-Insured Retention
Employee Benefits Liability	Claims Made
Reinsurance Carrier = Underwriters at Lloyd's, London	\$2,000,000 Each Employee \$4,000,000 General Aggregate \$100,000 Self-Insured Retention \$1,000 Deductible Retroactive Date - Full Prior Acts
Sexual Abuse Liability	Claims Made
Reinsurance Carrier = Underwriters at Lloyd's, London	\$2,000,000 Each Act Limit - Each Member \$4,000,000 General Aggregate \$100,000 Self-Insured Retention Retroactive Date = Varies by District Member
School Board Liability & Employment Practices Liability	Claims Made
Reinsurance Carrier = Underwriters at Lloyd's, London	\$2,000,000 Each Claim Limit per Member \$4,000,000 Per Member Aggregate Limit \$100,000 Self-Insured Retention \$2,500 Member Maintenance Deductible Retroactive Date = Full Prior Acts
Auto Liability	Per Occurrence
Reinsurance Carrier = Underwriters at Lloyd's, London	\$2,000,000 Each Occurrence Limit per Member \$5,000 Auto Medical Payments \$1,000,000 Uninsured/Underinsured Motorist \$100,000 Self-Insured Retention
Law Enforcement Liability	Per Occurrence
Reinsurance Carrier = Underwriters at Lloyd's, London	\$2,000,000 Each Occurrence Limit per Member \$4,000,000 General Aggregate \$100,000 Self-Insured Retention
Crime	Per Occurrence
Reinsurance Carrier = Underwriters at Lloyd's, London	\$900,000 Employee Theft - Per Employee Coverage \$900,000 Forgery or Alteration \$900,000 Inside The Premises - Theft of Money and Securities \$900,000 Inside The Premises - Robbery or Safe Burglary of Other Property \$900,000 Outside the Premises \$900,000 Computer Fraud \$900,000 Funds Transfer Fraud \$900,000 Money Orders and Counterfeir Money \$100,000 Self-Insured Retention

Equipment Breakdown	Per Occurrence
<p>Carrier = Liberty Mutual Insurance Company</p>	<p>\$250,000,000 Limit Per Breakdown Property Damage - Included \$10,000,000 Expediting Expense <i>Business Income/Extra Expense - Include:</i> 365 Days Extended Period of Restoration \$10,000,000 Data or Media \$10,000,000 Spoilage Damage <i>Utility Interruption Damage:</i> Combined with Extra Expenses & Business Income 4 Hours of interruption of services Newly Acquired Premises - Included; 90 Days of Coverage Ordinance of Law - Included Errors & Omissions - Included Brands and Labels - Included \$5,000,000 Contingent Business Income/Extra Expense \$10,000,000 Ammonia Contamination Consequential Loss - Included \$10,000,000 Data and Media \$10,000,000 Hazardous Substance \$2,500,000 Water Damage <i>Limited Coverage for Fungus, Wet Rot, Dry Rot:</i> \$15,000 Limit 30 Days BI an/or EE - Number of Days <i>Increased Cost of Loss and Related Expenses for "Green" Upgrades:</i> \$100,000 Property Limit 30 Days BI an/or EE - Number of Days 100 miles/4 weeks Civil Authority extension \$250,000 Sublimit Ingress/Egress \$250,000 Sublimit Claim Preparation Fees Dependent Location extension for Contingent BI/EE 150% replacement cost for Safety Improvements \$1,000,000 Off Premises Equipment Coverage \$1,000,000 Miscellaneous Locations <i>Deductibles:</i> \$5,000 Combined Deductible Business Income - Included in Combined Deductible Extra Expense - Included in Combined Deductible Spoilage - Included in Combined Deductible</p>
Cyber Liability	Per Claim - In the Aggregate
<p>Carrier = Underwriters at Lloyd's, London (CFC) Individual policies for each member</p>	<p>Insuring Clause 1 - Cyber Incident Response: \$2,000,000 Incident Response Costs \$2,000,000 Legal and Regulatory Costs \$2,000,000 IT Security and Forensic Costs \$1,000,000 Crisis Communication Costs \$2,000,000 Privacy Breach Management Costs Insuring Clause 2 - System Damage and Business Interruption: \$2,000,000 System Damage and Business Interruption \$2,000,000 Income Loss and Extra Expense \$2,000,000 Dependent Business Interruption \$1,000,000 Consequential Reputational Harm Insuring Clause 3 - Network Security & Privacy Liability: \$2,000,000 Network Security Liability \$2,000,000 Privacy Liability \$2,000,000 Management Liability \$2,000,000 Regulatory Fines \$2,000,000 PCI Fines, Penalties, and Assessments Insuring Clause 4 - Multimedia Liability: \$2,000,000 Defamation \$2,000,000 Intellectual Property Rights Infringement Insuring Clause 5 - Court Attendance Costs: \$100,000 Court Attendance Insuring Clause 6 - Cyber Extortion: \$2,000,000 Cyber Extortion Retroactive Date = Full Prior Acts Deductible - Varies by Member</p>

Gallagher Crisis Protect	Per Claim
Carrier = Underwriters at Lloyd's, London	<p>Tower 1 - First Party:</p> <p>\$500,000 in respect of damage and/or financial loss resulting from an insured event(s) including sublimits in the aggregate as shown in appendix 1 and 2 - Act of Terrorism, Civil Commotion, Sabotage, Vicious Attack and additional insured events</p> <p>Tower 1 - Third Party:</p> <p>Maximum 15% of Tower 1 any one claim - Judgement, Settlements & Defense Costs and additional insured events</p> <p>Tower 3 - Consulting Costs</p> <p>Detention, Disappearance, Extortion, Hijack, Hostage and Kidnap and additional insured events</p> <p>Additional Coverages:</p> <p>\$500,000 Ransom - Per Occurrence and in the aggregate</p> <p>\$500,000 In Transit/Delivery - Per Occurrence and in the aggregate</p> <p>\$500,000 Expenses - Per Occurrence and in the aggregate</p> <p>\$75,000 Judgments, Settlements and Defense Costs (Assault, Blackmail, Deprivation, Detention, Disappearance, Radicalization, Stalking, Threat, Extortion, Hijack, Hostage Crisis, Emergency Repatriation and Employee Dishonesty.) - Anyone Claim and in the Aggregate</p> <p>Deductibles:</p> <p>\$10,000 Any one occurrence in respect of the insured event(s) of an act of terrorism and/or civil commotion and/or sabotage and/or vicious attack.</p> <p>2 hours In respect of threat from the insured event(s) of an act of terrorism and/or sabotage and/or vicious attack.</p> <p>12 hours in respect of deprivation</p> <p>25% co-insurance respect of demolition, restitution, and rebuild</p> <p>\$2,500 Any one occurrence in respect of vehicles relating to demolition, restitution, and rebuild</p>
Pollution Liability	Per Claim
Carrier = Ironshore Specialty Insurance Company	<p>\$5,000,000 Policy Aggregate Limit</p> <p>\$1,000,000 Per School District Aggregate Limit</p> <p>Coverage A: Third Party Claims for Bodily Injury, Property Damage or Remediation Expenses:</p> <p>\$1,000,000 Each Incident Limit</p> <p>\$5,000,000 Coverage Aggregate Limit</p> <p>Coverage B: First Party Remediation Expenses:</p> <p>\$1,000,000 Each Incident Limit</p> <p>\$5,000,000 Coverage Aggregate Limit</p> <p>Coverage C: Emergency Responses Expenses:</p> <p>\$1,000,000 Each Incident Limit</p> <p>\$5,000,000 Coverage Aggregate Limit</p> <p>Coverage E: Disinfection Event Expenses</p> <p>\$250,000 Each Incident Limit</p> <p>\$250,000 Coverage Aggregate Limit</p> <p>Coverage D: Business Interruption</p> <p>180 Days</p> <p>\$1,000,000 Limit</p> <p>Image Restoration Expenses:</p> <p>\$250,000 Each Incident Limit</p> <p>\$250,000 Coverage Aggregate Limit</p> <p>Deductibles:</p> <p>\$50,000 Coverage A, B, C - Each Incident</p> <p>\$100,000 Coverage E - Each Incident</p> <p>5 Days Coverage D - Business Interruption</p>

ADJOURNMENT

MOTION: Trustee _____

Mr. Chair,

I move that the Special Board meeting be adjourned.

CALL FOR A SECOND: Trustee _____

CALL FOR A VOTE

MEETING ADJOURNED @ _____ PM