



KENTUCKY
AGC Self Insurers' Fund



FUNDSCRIPTS

March 2019

Coming Back

Dividends Will Be Returned For The 25th Consecutive Year

The Kentucky AGC/SIF Board of Trustees approved the release of \$8,554,237 in dividends and Special Fund taxes to be paid in March of 2019 at its regularly held meeting on October 30, 2018. This dividend payment marks the 25th consecutive year that the Kentucky AGC/SIF has returned premium dollars to its members, bringing the total dividends and Special Fund taxes paid to over \$184.5 MILLION!

Total premiums being returned to Fund members from the 2014 year are \$8,048,774 along with \$505,463 in Special Fund taxes, bringing the total being returned back to Fund members to \$8,554,237.

Dividends being released at the end of this month represent an 18% return of total premiums paid in for the 2014 Fund year as of October 30, 2018.

Historically, 94-96% of members have qualified for a dividend check. As of October 30, 2018, 97% of members who were in the Fund in 2014 and who remain in the Fund are eligible for a 2019 dividend check. How do you know if you will receive a dividend check? You must meet the following criteria:

- ◆ Were a member in the year for which the dividend is being paid (2014)
- ◆ Have a loss ratio (losses/normal premium) of less than 100% for the year in which the dividend is being paid (2014)
- ◆ Be a CURRENT member at the time of the dividend payment (The day of the disbursement in March of 2019)
- ◆ Be CURRENT in ALL payment obligations to the Fund and the Trade Association of which you are a member

Currently available on the Kentucky AGC/SIF's website (www.kyagsif.com), members and agents can access ESTIMATED dividend returns that will be issued later this month. Registered users can log in, go to the reports menu and select "Estimated Dividend Report." If you are not currently a registered user, simply go to the website home page and click on "Need to signup?" in the upper right hand corner. Again, please note that the amounts shown are ESTIMATES only.

If you have any questions regarding the 2019 dividend payment, please contact the Fund Office at (800) 928-7135.

Safety Seminar

Pikeville

They say that April showers bring May flowers. Well, they bring June safety seminars too! J.V. Resources, the Fund's loss control provider, will be hosting a safety seminar on Wednesday, June 12th. The seminar will be held at the Brookshire Inn & Suites located at 123 Alexandria Drive, Pikeville, KY 41501 from 1 PM - 3 PM. Various topics will be discussed. And there is no cost to attend!

To register, please call J.V. Resources at (502) 245-8485.

In This Issue:

- ◆ Dividend Information
- ◆ Safety Seminar
- ◆ 2018 Premium Audits
- ◆ Audit Payments Online
- ◆ A.M. Best Rating
- ◆ New OSHA Penalties





Premium Audit Time

Time to Prepare for the 2018 Premium Audit

The Kentucky AGC/SIF has begun the task of conducting the premium audits for the 2018 policy year. As always, we are committed to making this task as painless as possible for our members, but we need your cooperation in order to ensure a satisfactory and equitable audit. The Fund employs the independent auditing firm of Afirm. Please follow these helpful suggestions to make sure the audit process goes as smoothly as possible.

1. You will receive advanced written notice of the upcoming premium audit. Please utilize the time to prepare for your audit by gathering documentation for the auditor. The pertinent documentation should include the following for ALL named insureds on the policy:
 - All records (including payroll records for Regularly Employed Kentucky Employees who worked out-of-state) in the form of ledgers and journals
 - All Out-of-State payroll records for members with Safety National policies
 - All federal and state quarterly tax returns
 - All cash disbursement journals
 - All Certificates of Insurance for contractors used (Note: You will be charged premium for any uninsured contractors for which you do not have a Kentucky Workers' Compensation Certificate of Insurance.)
 - All 1099's
2. Prepare a list of any questions you may have about your audit before the auditor arrives.
3. Either the owner or officer of the company or bookkeeper/accountant should be present during the audit to have a clear understanding of the process.

Should you have any questions, please contact the Fund Office at (800) 928-7135.

Audit Payments

In the unfortunate situation where payroll was not reported properly throughout the policy year, an amount due may result. As a reminder, you are able to make your premium audit payments online. There are two (2) options available to make your audit payment online

- ◆ **Electronic Check (ACH)**
- ◆ **Credit Card (Visa or Mastercard)**

To pay your audit online:

- ◆ Go to www.kyagcsif.com
- ◆ Login to your account and from the homepage:
- ◆ Click on the **EMPLOYERS** tab
- ◆ Click on **MAKE PAYMENT**
- ◆ Click on **PAY YOUR AUDIT NOW** to the right of the page
- ◆ Click **PAY AUDIT INVOICE**
- ◆ From there, simply follow the instructions and you are done!

As with paying your annual/monthly premiums online, your information is **SAFE** and **SECURE**.

Please note that there is no charge for electronic check transactions (ACH). However, there is a 4% handling fee charged for credit card transactions.



A.M. Best Company

"A.M. Best Company is a global full-service credit agency dedicated to servicing the insurance industry. It began assigning credit ratings in 1906, making it the first of today's rating agencies to use symbols to differentiate the relative creditworthiness of companies.

The primary objective of Best's Credit Ratings within the insurance segment is to provide an opinion of the rated entity's ability to meet its senior financial obligations, which for an operating insurance company are its ongoing insurance policy and contract obligations. The assignment of an interactive rating is derived from an in-depth evaluation of a company's balance sheet strength, operating performance and business profile, as compared with A.M. Best's quantitative and qualitative standards."

Source: A.M. Best Company



Continued Strength

A.M. Best Renews the Fund's Rating

The Kentucky AGC/SIF is once again very pleased to offer Fund members the security of having an A.M. Best Financial Strength Rating category of A- (Excellent). An A- rating category is assigned to companies which, in A.M. Best's opinion, have an "excellent" ability to meet their ongoing obligation to policyholders. Ratings are issued only after A.M. Best has conducted a comprehensive quantitative and qualitative evaluation of a company's balance sheet strength, operating performance, and business profile. The Kentucky AGC/SIF has maintained a category A- rating since its initial rating in 1998.

The Fund is also pleased to announce that A.M. Best's Financial Size Category for the Fund is maintained at a category VII. To enhance the usefulness of ratings, A.M. Best assigns each letter rated (A++ through D) insurance company a Financial Size Category (FSC). The FSC is designed to provide a convenient indicator of the size of a company in terms of its statutory surplus and related accounts. A category VII indicates an adjusted policyholders' surplus of \$50 million to \$100 million.

The Kentucky AGC/SIF was formed to offer an alternative workers' compensation insurance product for the construction industry. Low rates and dividends are by far the most popular benefits that Fund members want to claim by joining and remaining in the Kentucky AGC/SIF, but the A.M. Best rating is a benefit as well. Not many self insurance groups have an A.M. Best rating, including no other self insurance groups in Kentucky. And while A.M. Best's evaluation is not the only test that the Fund undergoes to balance and maintain its financial integrity, it is undoubtedly a very important one. It is the report card that allows agents and Fund members alike to have added confidence in the Fund's continued ability to not just offer its product, but to provide a stable product.

If you would like to view the Kentucky AGC/SIF's A.M. Best rating, you can do so at www.ambest.com (the Fund's A.M. Best number is 55002) or click on the A.M. Best link from the Fund's website at www.kyagcsif.com.

FundScripts

KY AGC Self Insurers' Fund

P.O. Box 436949

Louisville, KY 40253-6949



PRESORTED STANDARD
U.S. POSTAGE
PAID
LOUISVILLE, KY
PERMIT NO. 1402

New OSHA Penalties in Effect

OSHA has increased its civil penalties by approximately 2.5% for 2019. The purpose of the change was to account for inflation as now required by the Federal Civil Penalties Inflation Adjustment Act of 2015. The following 2019 penalties apply for violations occurring on or after January 23, 2019.

<u>Violation</u>	<u>2018 Penalties</u>	<u>2019 Penalties</u>
Any willful violation of OSHA rules or standards	Minimum of \$9,239 or up to \$129,336	Minimum of \$9,472 up to \$132,598
Any repeat violation of OSHA rules or standards	Up to \$129,336	Up to \$132,598
Any serious violation of OSHA rules or standards	Up to \$12,934	Up to \$13,260
Any OSHA violation deemed not serious	Up to \$12,934	Up to \$13,260
Failure to correct a violation	Up to \$12,934 for each day the condition persists	Up to \$13,260 for each day the condition persists
Violation of posting requirements	Up to \$12,934	Up to \$13,260

Contact Us:

Give us a call for more information about our services and products

KY AGC/SIF
P.O. BOX 436949
Louisville, KY 40253-6949

(800) 928-7135

Visit us on the web at
www.kyagcsif.com