



**KENTUCKY**  
AGC Self Insurers' Fund



# FUNDSCRIPTS

Volume 20, Number 4

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## Coming Back

### Dividends Will Be Returned For The 23rd Consecutive Year

The Kentucky AGC/SIF Board of Trustees approved the release of \$7,737,896 in dividends and Special Fund taxes to be paid in March of 2017 at its regularly held meeting on October 25, 2016. This dividend payment marks the 23rd 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 \$161.6 MILLION!

Total premiums being returned to Fund members from the 2012 year are \$7,280,670 along with \$457,226 in Special Fund taxes, bringing the total being returned back to Fund members to \$7,737,896.

Dividends being released at the end of this month represent a 17% return of total premiums paid in for the 2012 Fund year as of October 31, 2016.

Historically, 94-95% of members have qualified for a dividend check. As of October 31, 2016, 96% of members who were in the Fund in 2012 and who remain in the Fund are eligible for a 2017 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 (2012)
- ◆ Have a loss ratio of less than 100% for the year in which the dividend is being paid (2012)
- ◆ Be a CURRENT member at the time of the dividend payment
- ◆ 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.kyagcsif.com](http://www.kyagcsif.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 2017 dividend payment, please contact the Fund Office at (800) 928-7135.

*"The 2017 dividend distribution represents the 23rd consecutive year of dividend payments. This remarkable feat could not have been possible without the relentless focus on safety exhibited by the Fund's membership year in and year out."*

*- Karl T. Ladegast, Administrator*

### In This Issue:

- ◆ Dividend Information
- ◆ 2016 Premium Audits
- ◆ Audit Payments Online
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- ◆ Housekeeping Safety Tips





# Premium Audit Time

## Time to Prepare for the 2016 Premium Audit

The Kentucky AGC/SIF has begun the task of conducting the premium audits for the 2016 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 firms of Chlystek & White Services, Inc. and Overland Solutions, Inc. 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](http://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



## The Excellence Continues

### A.M. Best Renews the Fund's Rating for 20th Consecutive Year

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.

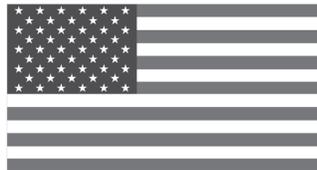
If you would like to view the Kentucky AGC/SIF's A.M. Best rating, you can do so at [www.ambest.com](http://www.ambest.com) (the Fund's A.M. Best number is 55002) or click on the A.M. Best link from the Fund's website at [www.kyagcsif.com](http://www.kyagcsif.com).

# FundScripts

KY AGC Self Insurers' Fund

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ONE NATION  
UNDER GOD  
INDIVISIBLE

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

## Housekeeping: Not Just For Hotels

### Housekeeping Tips

There is a saying that one never gets a second chance to make a first impression. This is never more true than when being inspected by OSHA. The condition of your premises is a potential indication of how you run your business. Here are some quick tips to assist you in keeping your premises clean and orderly:

- ◆ Keep floors, stairways, aisles and other passageways clear of tools, equipment, trash and other materials.
- ◆ Close drawers.
- ◆ Put unused tools away and cover sharp edges.
- ◆ Stack materials carefully so they won't fall or block sprinkler access.
- ◆ Clean up all spills immediately and properly, or contact an entity that can.
- ◆ Report any loose or broken flooring or any broken equipment.
- ◆ Keep food and beverages away from the work area.
- ◆ Properly dispose of all trash.
- ◆ Keep paper and other combustibles away from lights and electrical equipment.
- ◆ Prevent dirt or grease buildup on machinery and equipment.
- ◆ Keep containers of flammables closed when not in use.
- ◆ Do not place tools or equipment on the edges of shelves or tables.

Should you have any questions regarding premises housekeeping, please contact the Fund Office at (800) 928-7135 or JV Resources, Inc. at (502) 245-8485.

### Contact Us

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

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Visit us on the web at  
[www.kyagcsif.com](http://www.kyagcsif.com)