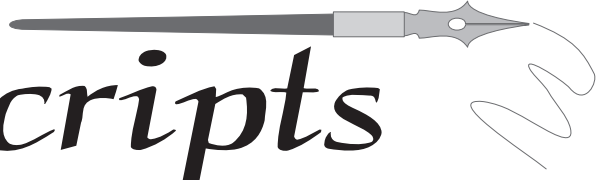




KENTUCKY ASSOCIATED GENERAL CONTRACTORS
 SELF INSURERS' FUND NEWSLETTER
 OUR A.M. BEST RATING IS A-, "EXCELLENT"

FundScripts



Volume 18, Number 2

2014

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THE UNDERWRITER'S CORNER

E-MOD CHANGES

As stated in the May edition of the *FundScripts*, we will once again focus on the coming changes to the experience modification (e-mod) calculation. The next change will not become effective in Kentucky until **10/1/14**. More importantly, it will not affect Fund e-mods until **1/1/15** (the immediate Fund rating period after 10/1/14). Let's recap what these changes mean for you.

For over 20 years, the National Council on Compensation Insurance (NCCI) held the "split-point" in the e-mod calculation at \$5,000. On 10/1/13, the NCCI raised the split-point to \$10,000. If you will recall, the split-point is the point at which losses are used in the e-mod calculation. The first \$10,000 of a claim, known as the primary loss, is given full weight in the e-mod calculation and reflects frequency. The amount of a loss in excess of \$10,000, known as the excess loss, is given partial weight in the e-mod calculation and reflects severity. The split-point exists so contractors with one large loss are not severely impacted versus other similar contractors with multiple smaller losses. So why did the split-point change?

As stated above, the NCCI did not change the split point value for over 20 years. So, the \$5,000 split point that was in affect for so many years became inaccurate and no longer relative to the true costs of claims. As such, the NCCI resolved to increase the split-point incrementally over a three-year period as follows:

- ◆ **YEAR 1:** The split-point increased to \$10,000 (*Implemented 10/1/13*)
- ◆ **YEAR 2:** The split-point will increase to \$13,500 (*To be Implemented 10/1/14*)
- ◆ **YEAR 3:** The splint-point will increase to \$15,000 plus two years of inflation adjustment (After this three-year transition period, subsequent split-point changes will be indexed to inflation.) (*To be Implemented 10/1/15*)

As a result of these changes, individual contractors will be impacted differently. For example, if none of a contractor's losses exceed \$13,500, they will likely see a decrease in their e-mod, as their actual losses are less than what is expected. However, if a contractor has losses that exceed \$13,500, that contractor's e-mod will likely increase. Why? Because more of the losses will flow into the e-mod resulting in losses that are more than what is expected. Whereas the cap was at \$10,000 for full weighting prior to the 10/1/14 change, the 2014 value of \$13,500 means that any loss exceeding \$10,000 will be given full weight up to \$13,500.

If you do not understand, or need any further clarification, regarding this issue, please contact the Fund Office at (800) 928-7135.

ANNUAL REQUIREMENT SAFETY TRAINING

For 2014, the Fund's Safety & Educational Program requires all policies with an effective date through December 31, 2013 to have a company representative attend, by **October 31, 2014**, a two (2) hour safety seminar offered by one (1) of the Fund's seven (7) participating Trade Associations, or by the Fund's third-party loss control provider J.V. Resources, Inc. (see Quarterly Seminar article on the back page of this issue).

Inside this issue, you will find some of the training opportunities available, or you may visit the Fund's website at www.kyagcsif.com and go to the "Safety" tab and click on "Seminars" for links to scheduled opportunities to meet the annual requirement offered by your Trade Association or J.V. Resources, Inc.



TRAINING OPPORTUNITIES

Below you will find training opportunities provided by some of the Fund's participating Trade Associations to meet the Fund's 2014 Safety & Educational Program requirement that is to be completed by October 31, 2014 by all members with an effective date through December 31, 2013. **Registration may be required.** (See Association contact information on the back page of this issue.)

AGC OF KENTUCKY

September 16, 2014 - Lexington, KY (Thermal Equip. Sales)

- 9:00 A.M. - 11:00 A.M. > Competent Person*
- 1:00 P.M. - 3:00 P.M. > OSHA Jobsite Inspection

October 7, 2014 - Frankfort, KY (AGC Office)

- 9:00 A.M. - 11:00 A.M. > Competent Person*
- 1:00 P.M. - 3:00 P.M. > OSHA Jobsite Inspection

October 8, 2014 - Lexington, KY (Thermal Equip. Sales)

- 9:00 A.M. - 11:00 A.M. > Competent Person*
- 1:00 P.M. - 3:00 P.M. > OSHA Jobsite Inspection

October 27, 2014 - Frankfort, KY (AGC Office)

- 9:00 A.M. - 11:00 A.M. > Competent Person*
- 1:00 P.M. - 3:00 P.M. > OSHA Jobsite Inspection

October 28, 2014 - Lexington, KY (Thermal Equip. Sales)

- 9:00 A.M. - 11:00 A.M. > Competent Person*
- 1:00 P.M. - 3:00 P.M. > OSHA Jobsite Inspection

October 29, 2014 - Frankfort, KY (AGC Office)

- 9:00 A.M. - 11:00 A.M. > Competent Person*
- 1:00 P.M. - 3:00 P.M. > OSHA Jobsite Inspection

October 30, 2014 - Lexington, KY (Thermal Equip. Sales)

- 9:00 A.M. - 11:00 A.M. > Competent Person*
- 1:00 P.M. - 3:00 P.M. > OSHA Jobsite Inspection

****Owners are required to attend Competent Person training***

AGC OF WESTERN KENTUCKY

October 1, 2014 - Murray, KY (Best Western)

- 2:00 P.M. - 4:00 P.M. > Hazard Communication & Global Harmonizing System Requirements

October 15, 2014 - Paducah, KY (AGC Office)

- 2:00 P.M. - 4:00 P.M. > Hazard Communication & Global Harmonizing System Requirements

October 29, 2014 - Paducah, KY (AGC Office)

- 2:00 P.M. - 4:00 P.M. > Hazard Communication & Global Harmonizing System Requirements

HOME BUILDERS ASSOCIATION OF KENTUCKY

Building Industry Assoc. of Greater Louisville

CPR/First Aid/Bloodborne Pathogens

- September 22, 2014 > 7:30 A.M.
- October 27, 2014 > 7:30 A.M.

Building Industry Assoc. of Greater Louisville

(cont.)

Personal Protective Equip./Electrical Safety

- September 23, 2014 > 9:00 A.M.
- October 28, 2014 > 9:00 A.M.

HOME BUILDERS ASSOCIATION OF KENTUCKY (CONT.)

Building Industry Assoc. of Greater Louisville (cont.)

Fall Protection / Scaffolding

- September 30, 2014 > 9:00 A.M.

Accident Prevention & the Cost of Minor Injuries

- October 7, 2014 > 9:00 A.M.
- October 30, 2014 > 9:00 A.M.

Personal Protective Equipment / Ladder Safety

- October 14, 2014 > 9:00 A.M.

Trenching & Excavation / Power Tool Safety

- October 21, 2014 > 9:00 A.M.

Home Builders Association of Hopkinsville

First Aid/CPR/Bloodborne Pathogens

- September 21, 2013 > 8:00 A.M.

Home Builders Association of Kentucky

TBA

- September 25, 2014 > 1:00 P.M. - 3:00 P.M.
- September 30, 2014 > 9:00 A.M.

Home Builders Association of Lexington

Jobsite Safety

- September 11, 2014 > 9:00 A.M. - 11:00 A.M.
- October 28, 2014 > 1:00 P.M. - 3:00 P.M.

Struck-By Safety

- September 25, 2014 > 9:00 A.M. - 11:00 A.M.

Global Harmonized Systems

- October 9, 2014 > 9:00 A.M. - 11:00 A.M.

Home Builders Association of Lexington (cont.)

OSHA 10 (Must attend both dates for certification)

- October 15, 2014 > 8:00 A.M. - 2:00 P.M.
- October 22, 2014 > 8:00 A.M. - 2:00 P.M.

Noise in Construction

- October 28, 2014 > 9:00 A.M. - 11:00 A.M.

Personal Protective Equipment

- October 31, 2014 > 9:00 A.M. - 11:00 A.M.

Tool Safety

- October 31, 2014 > 1:00 P.M. - 3:00 P.M.

Home Builders Association of Madison County

TBD

- September 25, 2014 > 5:30 P.M.
- October 21, 2014 > 5:30 P.M.

Home Builders Association of South Central KY

AGC Workers' Comp & Job Safety

- October 21, 2014 > 3:00 P.M. - 5:00 P.M.
- October 29, 2014 > 3:00 P.M. - 5:00 P.M.

Nothing Stranger than Danger

- October 30, 2014 > 1:00 P.M. - 3:00 P.M.

Home Builders Association of Western KY

TBD

- October 16, 2014 > 4:00 P.M. - 6:00 P.M.

*This will take place at the Cherry Civic Center, 2701 Park Avenue, Paducah, KY.

FundScripts

KY AGC Self Insurers' Fund
P.O. Box 436949
Louisville, KY 40253-6949
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TRADE ASSOCIATION CONTACT INFORMATION

AGC of Kentucky

(502) 223-8845, (800) 456-0215

AGC of Western Kentucky

(270) 744-6261, (800) 599-6261

Builders Exchange of Kentucky

(502) 459-9800 - Louisville

(859) 288-0011 - Lexington

Home Builders Association of Kentucky

(Local HBA Offices listed below)

(502) 875-5478, (800) 489-4225

- (1800) State-at-large (800) 489-4225
- (1803) Audubon (270) 826-7100
- (1804) Bowling Green (270) 781-3375
- (1805) Bluegrass (859) 239-0031
- (1806) Frankfort (502) 875-5478
- (1809) Eastern Kentucky (606) 424-1383
- (1812) Northern Kentucky (859) 331-9500
- (1815) Kentucky River (606) 436-6906
- (1818) Central Kentucky (502) 875-5478
- (1819) North Eastern Kentucky (606) 923-6866
- (1824) Hopkinsville (270) 885-8319
- (1830) Hopkins County (270) 824-2108

Kentucky Association of Highway Contractors

(502) 223-3422, (800) 456-0784

Kentucky Association of Master Contractors

(502) 352-2575, (877) 527-4229

Kentucky Crushed Stone Association

(502) 223-2379, (888) 234-5272

- (1836) Lexington (859) 273-5117
- (1838) Logan County (270) 847-0352
- (1840) Lincoln Trail (270) 234-1706
- (1848) Louisville (502) 429-6000
- (1850) Three Rivers (270) 871-1145
- (1872) Owensboro (270) 688-0353
- (1880) Southeastern Kentucky (859) 985-1959
- (1884) Western Kentucky (270) 442-9572
- (1887) Lake Cumberland (606) 679-6311
- (1895) Scott County (502) 868-0675
- (1896) Madison County (859) 624-0836