



EXCESS INSURANCE PROGRAM

KESA's specific excess insurance program consists of two carriers. The primary excess policy is with Chubb, an American Insurance Company, rated A++, XV by A.M. Best. The policy has Statutory Limits (unlimited) in excess of a self-insured retention (SIR) of \$2,500,000. The second excess policy is with Lloyd's of London, rated A, XV by A.M. Best. This policy provides a layer of coverage with a limit of \$1,500,000 in excess of \$1,000,000. This Lloyd's policy effectively reduces KESA's exposure on any occurrence to \$1,000,000. It gives KESA a self-insured retention (SIR) of \$1,000,000.

EXAMPLE #1: *Occurrence of less than \$1,000,000.*

One person has a claim with a total payout of \$800,000. KESA pays the entire \$800,000, as the total amount falls within our SIR.

EXAMPLE #2: *Large occurrence less than the Chubb policy \$2,500,000 SIR.*

Three people are injured in the same occurrence, each with a claim of \$500,000 for a total of \$1,500,000. KESA pays the first \$1,000,000. The next \$500,000 is covered by the Lloyd's policy.

KESA's total exposure is \$1,000,000.

EXAMPLE #3: *Large occurrence greater than the Chubb policy \$2,500,000 SIR.*

Forty people are injured in a single occurrence, each with a claim of \$100,000 for a total of \$4,000,000. KESA pays the first \$1,000,000 (our maximum exposure on a single occurrence). Lloyd's pays their policy limit of \$1,500,000. Chubb pays the remaining \$1,500,000 of the \$4,000,000.

KESA's total exposure is \$1,000,000.

EMPLOYERS' LIABILITY

Self-insured retention (SIR) --\$2,500,000

Limits – \$2,000,000 each accident
\$2,000,000 disease-each employee
\$2,000,000 disease-policy limit