

KYTC Newsletter

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Volume 81



SUPPORTIVE SERVICES

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Gov. Andy Beshear Approves Requests from City and County Governments to Fund 28 Projects to Improve Local Streets and Roads

Gov. Andy Beshear today announced that he has approved requests from 18 cities and counties across Kentucky for transportation funding with which to improve local streets and roads. The discretionary funding, which totals \$1,893,569, is administered through the Department of Rural and Municipal Aid of the Kentucky Transportation Cabinet (KYTC). “These streets and roads connect hundreds of homes and businesses,” said Gov. Beshear. “The improvements that will result from this funding will make a positive difference in the lives of Kentuckians who use these roadways every day.” For example, the City of Williamstown, in Grant County, was approved for \$40,000 toward repair of Draper Road, home to about 50 residents. “The steepness of the road has caused complete washout during heavy rains,” city officials stated in their application. “The city continues to patch the road, work on the drainage, and spread gravel, but the road is simply worn out.”

Likewise, Leslie County was approved for \$323,541 for badly needed resurfacing and other work on two local routes – Army Trail and Lower Bowens Creek Road. Both suffer from “slips, slides, breaks in pavement” and other deficiencies, according to the Fiscal Court’s application. “We are beginning to have a large tourism effort coming together, such as trail riding, fishing, festivals, opening of all our roadside parks, hiking trails (and) kayaking. Better roads will have a great impact.”

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2023 Outlook on the Construction Industry and Liability Insurance

The U.S. construction industry is on a post-pandemic rally, with the sector spending [\\$1.7 trillion in October 2022](#)—that's 9.2% better than October 2021. Furthermore, the entire insurance liability market is expanding significantly, projected to grow from [\\$252.3 billion in 2021](#) to an estimated \$432.8 billion in 2028, according to Allied Market Research.

With more government money and more building projects in play going into 2023, one area where the construction industry is finding firm footing is with liability insurance, albeit with some major risks in play.

"The introduction of new construction materials coupled with a renewed emphasis on modular building, artificial intelligence, 3D printing, and wearable and drone technologies is not only expected to ease existing cost burdens but also speed construction processes while completing projects on time and within budgets," says insurance analyst Jeff Slivka in a [2022 research report by RT Specialty Environmental & Construction Professional Liability Practice](#).

Another boost is expected to come from President Joe Biden's \$1.2 trillion infrastructure spending plan, which says it "will deliver \$550 billion of new federal investments in America's infrastructure over five years, touching everything from bridges and roads to the nation's broadband, water and energy systems."

There is downside risk for construction firms seeking the best terms on a liability insurance deal.

"Current optimism should also be tempered in at least the near term by the effects of an environment filled with greater governmental scrutiny and regulatory guidelines," Slivka says. "Contractors are also facing double-digit increases in insurance premiums experienced in many lines of business, tighter underwriting standards and new exclusions covering the scope of communicable disease exposures."

"Even though these factors are slightly less impactful on the contractors professional liability insurance products, they'll influence liability insurance deals nonetheless," Slivka says. Price-wise, sector liability insurance premiums rose [18 quarters in a row](#) through mid-2022, with costs rising by 6.6% in the first quarter of 2022. On the upside, more liability insurance firms have entered the marketplace in 2022, which seems to be moderating premiums heading into 2023 as insurance firms compete cost-wise with each other in an expanded market.

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About The KYTC

The goal of the DBE Supportive Services Program is to increase the number of DBEs participating on KYTC contracts and facilitate the opportunity for DBEs to obtain contracts. The services are designed to:

- Assist established construction firms to move them from bidding as a subcontractor to bidding as a Prime Contractor to produce sound bids.
- Provide access to training increases DBE expertise in handling of daily business operations.



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