MSBAIT Programs

The Minnesota School Boards Association Insurance Trust (MSBAIT) provides resources to Minnesota School Boards Association (MSBA) members to help school districts address their risk management needs and their concerns. MSBAIT endorses National Insurance Services (NIS) as the provider of group term life and group long-term disability insurance products and services for MSBA members. NIS has been serving groups such as school districts, cities, counties, and others since 1969. NIS has created a network of satisfied groups in 30 states. In addition, NIS prides itself on maintaining a 95 percent client retention rate. The MSBAIT has had the privilege of working with NIS for more than 30 years. With respect to property/casualty and workers’ compensation insurance products and services, MSBAIT endorses Riverport Insurance Services and its “Minnesota Public School Program.” Riverport is a member of the W. R. Berkley Corporation, one of the most prominent companies in the property/casualty insurance industry. Riverport’s coverage includes the following:

**Property, Inland Marine and Crime**
- Blanket Coverage — Buildings and Personal Property
- Blanket Coverage — Business Income and Extra Expense
- Mechanical and Equipment Breakdown
- Audio/Visual Equipment, Musical Instruments, Band and Athletic Uniforms
- Employee Dishonesty and Theft
- Forgery and Alteration

**Automobile**
- Auto Liability and Physical Damage
- Garagekeepers’ Liability
- Hired and Non-owned Auto

**General Liability**
- Bodily Injury, Property Damage, Personal Injury and Advertising Injury
- Sexual Abuse and Molestation
- Employee Benefits Liability
- Incidental Liability for School Nurses
- Medical Payments

**School Leaders Legal Liability**
- School Board Legal Liability
- Teachers Liability
- Employment-Related Practices Liability
- Broad Definition of Named Insured

**Excess Liability**
- Excess Liability Limits to $5 million Per Occurrence/Aggregate (Sexual Abuse and Molestation included)

**Workers’ Compensation**
- Statutory Benefits
- Employers Liability Limits: $500,000/$500,000/$500,000

Contacts

**National Insurance Services**

952-941-7372 or 800-443-6011
www.nisbenefits.com

- Group Term
- Life Insurance
- Group
- Long-Term
- Disability
- Insurance

**Riverport Insurance Services**

612-766-3301 or 888-762-3083
www.riverportinsurance.com

- Workers’ Compensation
- Property, Inland Marine and Crime
- School Leaders Legal Liability
- Auto Liability and Physical Damage
- General Liability
- Excess Liability

Message from the MSBAIT Chair

Since 1972, the Minnesota School Boards Association Insurance Trust (MSBAIT) has been responding to the risk-management needs of school districts. MSBAIT is governed by a Board of Trustees consisting of elected school board members. At the MSBAIT Annual Meeting in October 2015, the MSBAIT Trustees welcomed new trustee Kirby Ekstrom from North Branch Area and re-elected Bill Leland (Albert Lea Area) and Roy Nelson (Red Lake) for four-year terms. Leland was re-elected as the MSBAIT Chair, Kevin Donovan (Mahtomedi) was re-elected as Vice-Chair and MSBA Executive Director Kirk Schneidawind was reappointed Secretary-Treasurer. The MSBAIT Trustees will continue to provide the members of the Minnesota School Boards Association with quality and effective insurance programs.

MSBAIT’s purpose "to provide for its members and their employees and officials various forms of insurance, including any forms of permitted group insurance, for the benefit of school districts which are member of the MSBA and to effectuate cost savings in the procurement and administration of such insurance programs" continues to influence the decisions of the Trustees. MSBAIT is dedicated to Minnesota schools and is keenly aware of the financial situations faced by its members. All previously endorsed programs continue to be in force. MSBAIT continues to work closely with members to seek other products and services to enhance its insurance and risk-management programs. MSBAIT encourages school districts to contact MSBA, National Insurance Services, and Riverport Insurance Services to learn more about the coverages and programs.

Finally, we want to acknowledge the contributions of former MSBAIT Trustee Arlene Bush (Bloomington). Bush, who served on the MSBAIT Board for 25 years, passed away May 17, 2015.

Sincerely,

Bill Leland, MSBAIT Chair
Statements of Net Assets, Revenues, Expenses, Losses and Change in Net Assets

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments, at fair value</td>
<td>$42,998,334</td>
<td>$39,288,733</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>12,048,035</td>
<td>19,995,643</td>
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<tr>
<td>Accrued investment income</td>
<td>275,078</td>
<td>288,008</td>
</tr>
<tr>
<td>Other receivables</td>
<td>49,018</td>
<td>23,719</td>
</tr>
<tr>
<td>Reinsurance and other recoverables</td>
<td>2,133,821</td>
<td>1,597,874</td>
</tr>
<tr>
<td>Prepaid reinsurance</td>
<td>2,321,260</td>
<td>3,148,750</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$59,735,536</strong></td>
<td><strong>$64,324,807</strong></td>
</tr>
</tbody>
</table>

**LIABILITIES AND NET ASSETS**
Accounts payable and accrued expenses | $339,536 | $302,234 |
Provision for losses and loss adjustment expenses | 31,246,617 | 35,043,885 |
Unearned deductible loss | 457,500 | 457,500 |
**Total Liabilities** | **$32,043,536** | **$35,814,619** |

**NET ASSETS**
Net Assets Unrestricted | 27,692,063 | 28,528,188 |
**Total Liabilities and Net Assets** | **$59,735,536** | **$64,324,807** |

**OPERATING REVENUES**
Royalties | 299,536 | 257,342 |
**Total Operating Revenues** | **299,536** | **257,342** |

**OPERATING EXPENSES**
Reinsurance expense | 937,500 | 337,500 |
Loss and loss adjustment expenses (income) | (217,821) | 1,782,762 |
Special compensation fund | 267,598 | 359,244 |
Administration | 143,250 | 160,500 |
**Other operating expenses** | **624,233** | **677,168** |
**Total Operating Expenses (income)** | **1,796,760** | **3,317,174** |
Income (loss) from Operations | (1,497,224) | (3,059,832) |

**NONOPERATING REVENUE**
Net investment income | 1,107,582 | 1,273,987 |
Net unrealized losses on investments | 1,965,166 | (335,046) |
**Other income** | **263,803** | **2,693,919** |
**Total Nonoperating Revenue** | **461,099** | **996,560** |
Change in Net Assets | (836,125) | (2,063,272) |
**NET ASSETS, BEGINNING** | **28,528,188** | **30,591,460** |
**NET ASSETS, END** | **$27,692,063** | **$28,528,188** |

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Visit www.mnmsba.org/MSBAIT for more information about the Minnesota School Boards Association Insurance Trust.