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.

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. 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 Marsh & McLennan Agency, LLC and its “MSBAIT Risk Protection Program.” Marsh & McLennan Agency — with more than 200 Minnesota-based employees — is a member company of the largest insurance broker in the world (Marsh & McLennan Companies, Inc.) and has decades of school insurance and risk management experience. Marsh & McLennan Agency’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

Contact the MSBAIT Chair

Kevin Donovan, MSBAIT Chair

Message from the MSBAIT Chair

The Minnesota School Boards Association Insurance Trust (MSBAIT) celebrated 45 years of responding to the risk management needs of school districts.

At the MSBAIT Annual Meeting in October, the MSBAIT Trustees elected Kevin Donovan (Mahtomedi) as chair, Kathryn Green (Austin) as vice-chair, and MSBA Executive Director Kirk Schneidawind as secretary-treasurer. The membership elected Kevin Donovan (Mahtomedi) for a four-year term expiring June 30, 2021; David Klett (Albert Lea Area) for a two-year term expiring June 30, 2019; and Walter Hautala (Mesabi East) for a one-year term expiring June 30, 2018.

MSBAIT continues to endorse National Insurance Services (NIS) for Life and LTD coverage and various risk management needs. MSBAIT also renewed the “Administrative Agreement” with the Minnesota School Boards Association (MSBA). In accordance with this Agreement, MSBA’s staff is available to answer school districts’ risk management questions and issues.

Sincerely,
Kevin Donovan, MSBAIT Chair

Contacts

Minneapolis School Boards Association

Contacts:
- Denise Drill — ddrill@mnmsba.org
- Gary Lee — glee@mnmsba.org
800-324-4459 | www.mnmsba.org

MSBAIT Trustees and Staff

Standing (from left to right): Secretary-Treasurer Kirk Schneidawind (MSBA), Kirby Ekstrom (North Branch Area), Walter Hautala (Mesabi East), David Klett (Albert Lea Area), and Joel Stinecel (MSBA).

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Not pictured: Roy Nelson (Red Lake) and Kent Thiesse (Lake Crystal Wellcome Memorial).

Minnesota School Boards Association

Insurance Trust

2017 Annual Report

Serving only Minnesota public school districts since 1972

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Contacts

National Insurance Services

Contact Rob Keller at 952-941-7372 or 800-443-6011.

www.mnmsba.org

Marsh & McLennan Agency

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

You or your local, qualified agent can contact Marsh & McLennan Agency to learn more.

Amy Diedrich: 763-548-8594 or amy.diedrich@marshmma.com
Tom Gallagher: 763-548-8815 or tom.gallagher@marshmma.com
Jodi Kelly: 763-548-8817 or jodi.kelly@marshmma.com
Kerry Leider: 218-626-5873 or kerry.leider@marshmma.com
John Siffert: 763-548-8545 or john.siffert@marshmma.com
www.MarshMMA.com/schools

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<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2017</th>
<th>2016</th>
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<tbody>
<tr>
<td>Investments, at fair value</td>
<td>$30,411,907</td>
<td>$26,435,492</td>
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<tr>
<td>Cash and cash equivalents</td>
<td>16,641,068</td>
<td>25,104,165</td>
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<tr>
<td>Accrued investment income</td>
<td>19,365</td>
<td>152,815</td>
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<td>Other receivables</td>
<td>144,793</td>
<td>12,098</td>
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<td>Reimbursement and other recoverables</td>
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<td>2,449,342</td>
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<tr>
<td>Prepaid reinsurance</td>
<td>47,000</td>
<td></td>
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<tr>
<td>Total Assets</td>
<td>$54,251,410</td>
<td>$54,251,410</td>
</tr>
</tbody>
</table>

| LIABILITIES AND NET ASSETS                                         |              |               |
| Accounts payable and accrued expenses                              | $370,260     | 305,919       |
| Provision for losses and adjustment expenses                       | 83,844,804    | 41,129,392    |
| Unearned deductible loss fund contributions                        |               |               |
| Total Liabilities                                                  | 357,050       | 407,500       |
| NET ASSETS                                                         | 31,875,396    | 12,408,599    |

| OPERATING REVENUES                                                 | $475,804      | $277,882      |
| Total Operating Revenues                                           | $475,804      | $277,882      |

| OPERATING EXPENSES                                                 |              |               |
| Reimbursement expenditure                                          |               |               |
| Loss and adjustment expenses (income)                              | 227,542       | 12,905,734    |
| Special compensation fund                                          | 290,139       | 297,709       |
| Total Operating expenses                                           | 117,000       | 126,000       |
| Other operating expenses                                           |                |               |
| Total Operating (income)                                           | 3,100,033     | 16,236,374    |
| Income (loss) from Operations                                      | ($83,224)     | ($15,995,492) |

| NONOPERATING REVENUE                                                |              |               |
| Noninvestment income                                               | 281,648       | 505,240       |
| Net unrealized losses on investments                               | 9,666         | 166,628       |
| Other income                                                       | 9,212         |               |
| Total Nonoperating Revenue                                         | 301,026       | 675,628       |

| Change in Net Assets                                               | ($533,203)    | ($15,283,464) |

| NET ASSETS, BEGINNING                                               | 12,408,599    | 27,692,063    |
| NET ASSETS, END                                                     | $11,875,396   | $12,408,599   |

Visit [www.mnmsba.org](http://www.mnmsba.org) for more information about the Minnesota School Boards Association Insurance Trust.