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

MSBAIT Advanced Protection Program

- Drones
- Cybersecurity
- International Travel
- Builder’s Risk
- TULIP (Tenant Users Liability Insurance Protection)

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MSBAIT Trustees and Staff

Standing (from left to right):
- Gary Lee (MSBA), David Klett (Albert Lea Area), Kent Thiesse (Lake Crystal Wellcome Memorial), Chair Kevin Donovan (Mahtomedi), Walter Hautala (Mesabi East) and Denise Drill (MSBA)

Seated (from left to right):
- Secretary-Treasurer Kirk Schneidawind (MSBA), Vice-Chair Kathryn Green (Austin), Sue Honeschlagher (MSBA) and Roy Nelson (Red Lake)

Not pictured: Kirby Ekstrom (North Branch Area)

Message from the MSBAIT Chair

The Minnesota School Boards Association Insurance Trust (MSBAIT) celebrated 46 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 Kathryn Green and Walter Hautala (Mesabi East) for four-year terms expiring June 30, 2022.

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. The MSBAIT Risk Protection Program — developed in collaboration with Marsh & McLennan Agency (MMA) — provides Minnesota public schools with more choices and expanded resources. Nine participating insurers have agreed to assist MSBAIT in making Minnesota schools safe and offer quality, affordable coverage. The package insurance carriers are EMC Insurance, Glatfelter Public Practice, Hanover Insurance, Liberty Mutual, and Wright Specialty. The workers’ compensation carriers are Accident Fund, RAS Insurance, SFM Insurance, and United Heartland.

The MSBAIT Trustees also developed the MSBAIT Advanced Protection Program, which offers unique coverages or more comprehensive coverages than the package coverage may provide for drones, cybersecurity, TULIP (tenant users liability insurance protection), international travel, and builder’s risk. MSBAIT encourages school districts to contact MSBA, NIS, and MMA to learn more about the aforementioned coverages and programs to meet school districts’ risk management needs.

Sincerely,
Kevin Donovan, MSBAIT Chair
## Statements of Net Assets, Revenues, Expenses, Losses and Change in Net Assets

**ASSETS**

<table>
<thead>
<tr>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments, at fair value</td>
<td>$22,515,706</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>24,151,688</td>
</tr>
<tr>
<td>Accrued investment income</td>
<td>140,799</td>
</tr>
<tr>
<td>Other receivables</td>
<td>155,285</td>
</tr>
<tr>
<td>Net Assets Total</td>
<td>$48,887,805</td>
</tr>
</tbody>
</table>

**LIABILITIES AND NET ASSETS**

| Accounts payable and accrued expenses | $317,723 | $370,260 |
| Provision for losses and loss adjustment expenses | 35,366,745 | 38,844,408 |
| Unremitted deductible loss fund contributions | 357,500 | 357,500 |
| Net Assets Unrestricted Total | $36,041,968 | $39,572,168 |

**OPERATING REVENUES**

| Royalties | $450,328 | $475,804 |

**OPERATING EXPENSES**

| Loss and loss adjustment expenses (income) | (1,133,470) | 227,542 |
| Special compensation fund | 250,808 | 290,139 |
| Other operating expenses | 112,500 | 117,000 |
| Total Operating Expenses (income) | (177,282) | 1,310,033 |

**INCOME (loss) from Operations**

| Income (loss) | 627,610 | (834,229) |

**NONOPERATING REVENUE**

| Net income | 643,392 | 281,548 |
| Net unrealized losses on investments | 239,089 | 130,765 |
| Other income | 2,537 | 2,912 |
| Total Nonoperating Revenue | 352,831 | 321,026 |

**Change in Net Assets**

| Net Assets, Beginning | $13,875,506 | $15,496,388 |
| Net Assets, END | $12,855,837 | $13,875,506 |

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