**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
  - School Leaders Legal Liability
  - Incidental Liability for School Nurses
  - Medical Payments
- **School Leaders Legal Liability**
  - School Board Legal Liability
  - Teachers Liability
  - Employment-Related Practices Liability
- **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)

**MSBAIT Trustees and Staff**

Standing (from left to right):
- Kent Thiessen (Lake Crystal Wellcome Memorial),
- David Klatt (Albert Lea Area),
- Walter Haastala (Mesabi East),
- Roy Nelson (Red Lake)
- Kirby Ekstrom (North Branch Area).

Seated (from left to right):
- Secretary-Treasurer Kirk Schneidawind (MSBA),
- Chair Kevin Donovan (Mahtomedi),
- Vice-Chair Kathryn Green (Austin),
- Denise Drill (MSBA)
- Sue Honetschlager (MSBA).

**Contacts**

**National Insurance Services**

- **Group Term Life Insurance**
- **Group Long-Term Disability Insurance**
  Contact Rob Keller at 952-941-7372 or 800-443-6011.
  www.nisbenefits.com

**Marsh & McLennan Agency, LLC**

- **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 Dickrich:** 763-548-8594 or amy.diedrich@marshmma.com
- **Tom Gallagher:** 763-548-8815 or tom.gallagher@marshmma.com
- **Susan Hill:** 763-746-8290 or susan.hill@marshmma.com
- **Jodi Kelly:** 763-548-8817 or jodi.kelly@marshmma.com
- **John Siffert:** 763-548-8545 or john.siffert@marshmma.com
  www.MarshMMA.com/industries/education

**Message from the MSBAIT Chair**

The Minnesota School Boards Association Insurance Trust (MSBAIT) celebrated 47 years of responding to the risk management needs of school districts. At the MSBAIT Annual Meeting in October 2019, the 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 Roy Nelson (Red Lake) and David Klatt (Albert Lea Area) for four-year terms expiring June 30, 2023.

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. Seven participating insurers assist MSBAIT in making Minnesota schools safe and offer quality, affordable coverage. The package insurance carriers are EMC Insurance, Glattfelder Public Practice, Hanover Insurance, Liberty Mutual, and Wright Specialty. The workers’ compensation carriers are RAS Insurance and SFM Mutual Insurance Company.

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. Finally, I would like to acknowledge MSBA staff members Denise Drill and Sue Honetschlager for their long-term dedication and invaluable service to MSBAIT. Both Denise and Sue plan to retire in early 2020 — and they will be missed immensely.

Sincerely,

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

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments, at fair value</td>
<td>$24,108,300</td>
<td>$22,551,706</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$23,015,665</td>
<td>$24,151,668</td>
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<tr>
<td>Accrued investment income</td>
<td>$14,769</td>
<td>$14,780</td>
</tr>
<tr>
<td>Other receivables</td>
<td>$113,340</td>
<td>$155,285</td>
</tr>
<tr>
<td>Reimbursement or other recoverables</td>
<td>$798,357</td>
<td>$1,898,357</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>$48,097,098</td>
<td>$48,897,805</td>
</tr>
</tbody>
</table>

### LIABILITIES AND NET ASSETS

| Accounts payable and accrued expenses | $217,996 | $317,723 |
| Provision for losses and loss adjustment expenses | $32,904,083 | $31,366,745 |
| Unearned deductible loss fund contributions | $21,010  | $357,500  |
| **Total Liabilities** | $32,933,079 | $36,041,968 |

#### NET ASSETS

| Net Assets Unrestricted | $15,164,019 | $12,855,837 |

#### OPERATING REVENUES

| Royalties | $475,882 | $450,328 |

#### OPERATING EXPENSES

| Loss and loss adjustment expenses (income) | (816,412) | (1,131,470) |
| Special compensation fund | (360,584) | (250,808) |
| Administration | 101,940 | 112,500 |
| Other operating expenses | 565,015  | $90,880  |
| **Total Operating Expenses (income)** | $(310,041) | $(177,282) |

#### Income (loss) from Operations

| $985,923 | $627,610 |

#### NONOPERATING REVENUE

| Net investment income | 938,106 | 643,392 |
| Unrelated gains or losses on investments | (40,211) | (299,096) |
| Other income | 1,942  | 2,537    |
| **Total Nonoperating Revenue** | $1,322,359 | $352,831 |

### Change in Net Assets

| 2018 | $2,308,182 | $980,441 |

#### NET ASSETS, BEGINNING

| 2017 | $12,855,837 | $11,875,396 |

#### NET ASSETS, END

| 2018 | $15,164,019 | $12,855,837 |

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