



Minnesota Insurance Scholastic Trust

MIST 2026-2027 Property & Casualty Renewal

Motion Required

Minnesota Insurance Scholastic Trust

Brokerage & Administration Team



RPA / Gallagher Team

Name/Title	Phone/Alt. Phone	Email
Jack Kurcab – Vice President, Program Administration & Brokerage	630-634-4036	Jack_Kurcab@rpadmin.com
Nick Lano – Area Vice President	952-556-6292	Nick_Lano@ajg.com
Samuel Ding – Program Director	617-678-5360	Samuel_Ding@rpadmin.com
Laura O’Malley - Executive Program Manager	630-228-6717	Laura_OMalley@rpadmin.com
Katie Navin- Senior Client Service Manager	630-228-6665	Katie_Navin@rpadmin.com
Marissa Hermle – Client Service Manager II	630-285-4252	Marissa_Hermle@rpadmin.com



Minnesota Insurance Scholastic Trust

Renewal Statistics - Annualized



	2025-2026	2026-2027	% Change
Members	31	31	0%
Total Insured Values	8,531,001,068	8,585,861,159	0.6%
Student Count	98,050	97,233	(0.8%)
Vehicle Count	846	868	2.6%

Expiring exposure/premiums/loss funds are annualized in order to get a true comparison of the pool's renewal costs



MIST Member Map

5 New Members Added since 2024



MIST Net Position

Year-End Audited Financials



\$1,825,901
As of June 30, 2024

\$3,911,668
As of June 30, 2025



+\$2,085,767

Retained Carrier Profit



State of the Insurance Market - Overall



- × **Liability**
- × **Auto**
- × **Abuse**



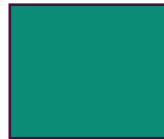
Hard Market: Rates increasing, terms eroding, shrinking capacity. Market and loss history playing major factor.

- **Crime**
- **Pollution**
- **Property**

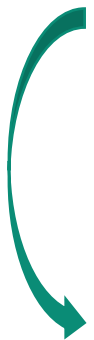


Challenging renewals: General rate increase to keep up with losses and inflation but options and coverage readily available.

- ✓ **Cyber**
- ✓ **Boiler**
- ✓ **Property**



Stable: Carriers compete for business. We can drive down rates and costs. In some cases, market is still hard but shows signs of improvement for proactive management.



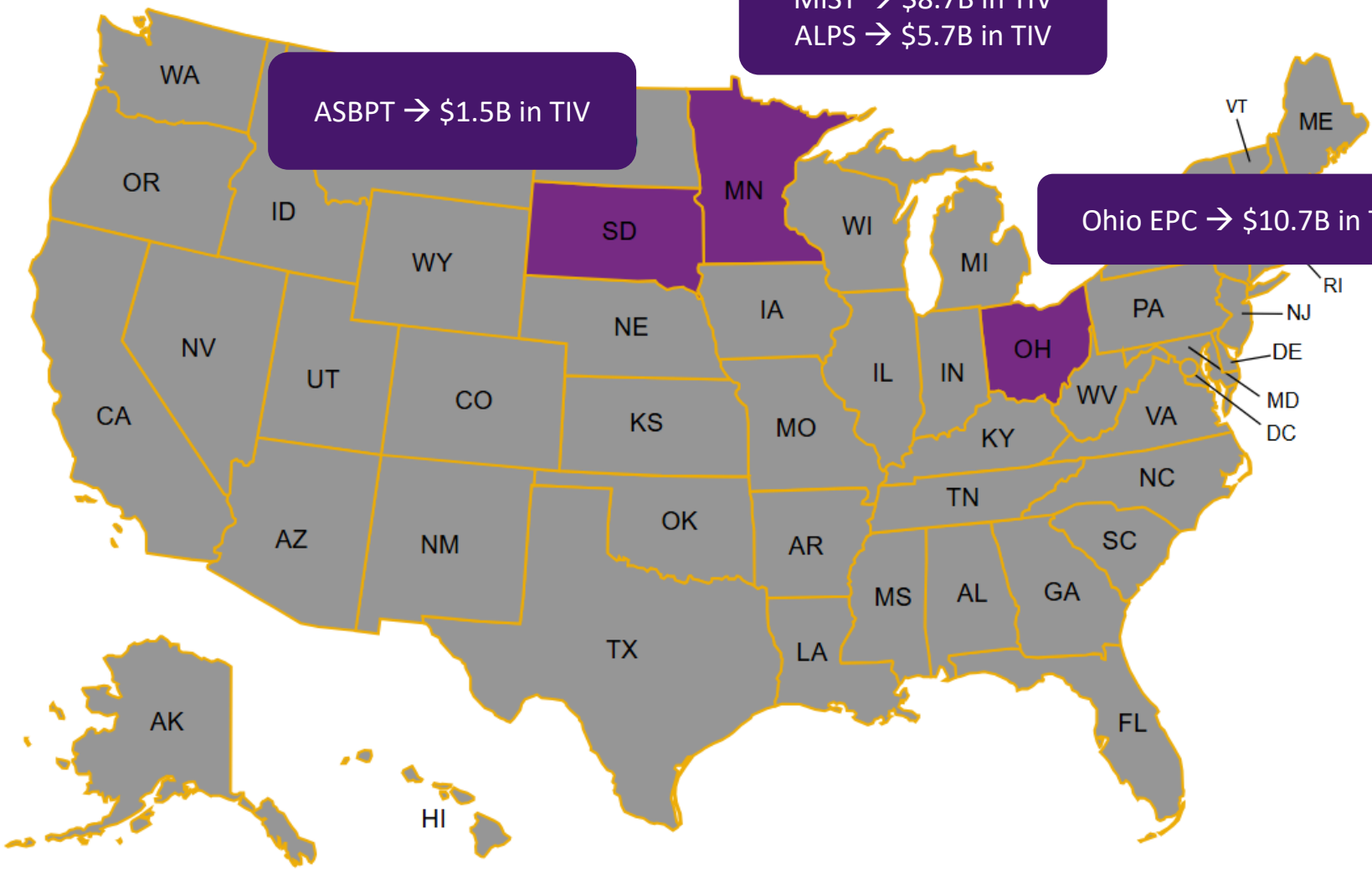
MIST Renewal Strategy



- Explored alternative program structuring to decreased carrier fixed cost ✓
 - **Chubb & Munich Re** – served as great negotiation levers during marketing
- Marketed Boiler/Equipment Breakdown coverage ✓
- Prepared to offer higher cyber limits ✓
- Explore cutting edge loss control technologies → **MIST Water Sensor Program** ✓
- **Aggressively market MIST Property** Renewal to explore market options ✓
 - Utilize the softening of markets to spark market competition
 - **GovPro, Chubb, Travelers** as main market options for Excess

GovPro

Total Program TIV = \$26.6 Billion



Probable Maximum Loss (PML)

“Worst Case Scenario” out of 5 calculation methodology

1% chance in 100 years = \$100M
0.10% chance in 1,000 years = \$277M
0.01% chance in 10,000 years = \$732M

Excess Property Program for Pools (no risk sharing)

2 out of 4 programs approved to enroll ★

Controlled exposure with hand-selected K-12 Programs

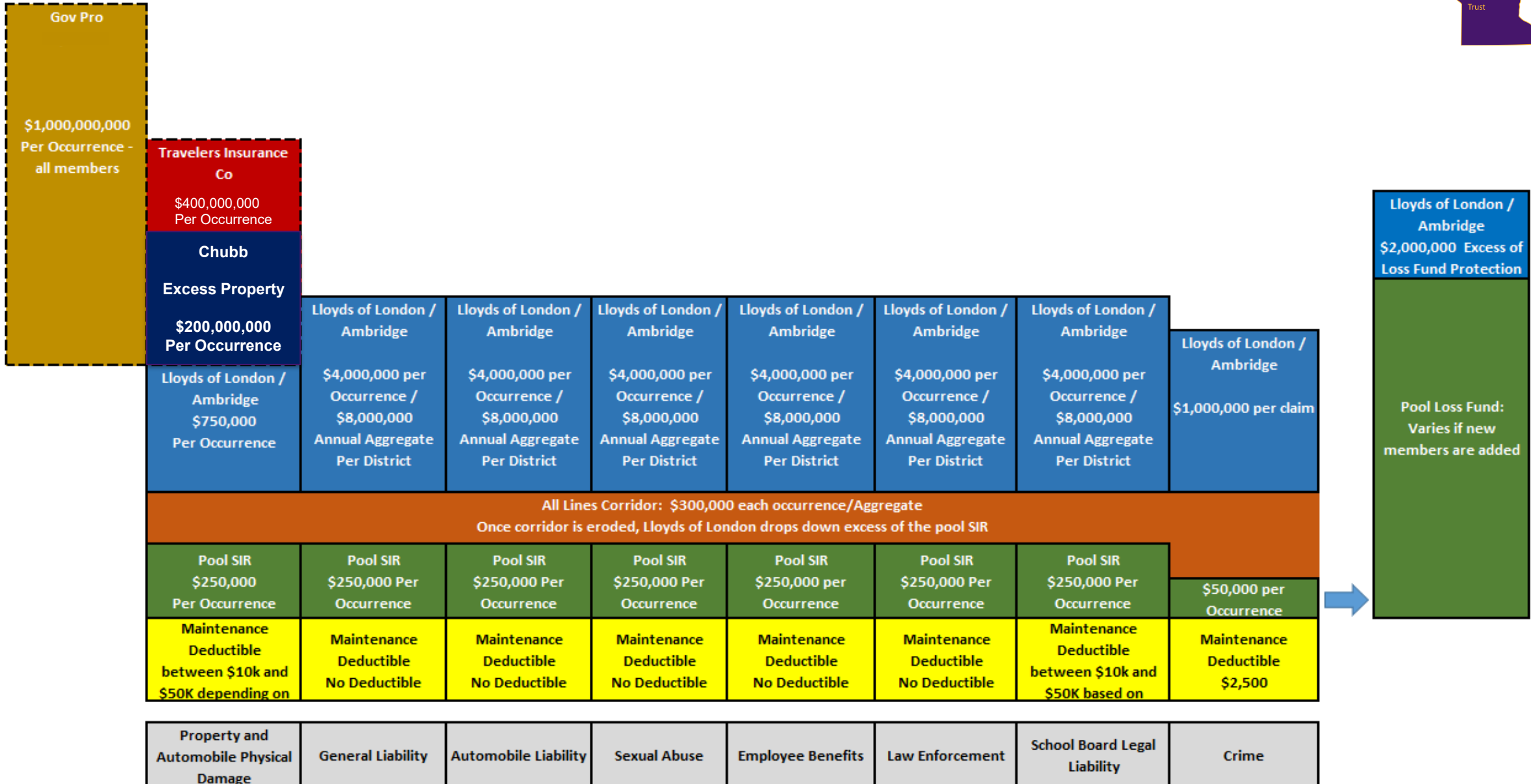
Proven success → Alternative to standard market

Gov Pro Benefits



- Allows you to better take control from the standard market
- Brings competition to Travelers & Chubb – Keep them on their toes
- Increased insulation in changing markets
 - Ex. Today vs Hard Market
- Renewal stability
 - Diversified property program with broad market participation, not tied to one carrier.
 - Direct, E&S, Bermuda & London
 - Keeps markets competitive in changing markets
- MORE coverage, higher limits
- Homogenous group of Insureds (K12 Schools) with a good spread of risk (Ohio, SD, MN)
- **Selective Underwriting – RPA programs only** vs.
 - single dictating market
 - Gain Control

2026-2027 Program Structure





Gov Pro Coverage Highlights



Comprised of:

- Direct, admitted
- E&S
- Lloyds of London
- Bermuda

Sublimit Coverage	Expiring	GovPro
TOTAL LIMIT	\$200M	\$1 Billion
Flood - Low Hazard - Zone X	\$25M	\$50M
Flood - Moderate Hazard - Zones B, X-500	N/A	\$25M
Earthquake	25M Annual Agg	\$50M Occ/Annual Agg
Earthquake - New Madrid	Excluded	\$25M
Business Income	\$10M	\$50M
Additional Highlights		
1. No Margin Clause & Co-insurance included		
2. Include 10% Swing Clause for TIV before endorsement		
3. Scheduled assets are covered within SOV		
4. Underground assets, pipes, fiber options are covered within 1000ft of covered location		

Excess Property & Equipment Breakdown Renewal



Recommended



	2025-2026 Expiring	2026-2027 Option 1 - Renewal	% Change	2026-2027 Option 2 - Renewal	% Change	2026-2027 Option 3 - Renewal	% Change
Excess Property	Travelers	Travelers		Chubb		GovPro*	
Loss Limit	\$200,000,000	\$400,000,000		\$200,000,000		\$1,000,000,000	
Total Insured Value	\$8,531,001,068	\$8,585,861,159	0.6%	\$8,585,861,159	0.6%	\$8,585,861,159	0.6%
Total Premium excluding Taxes	\$4,314,007	\$3,041,112	-30%	\$2,464,837	-44%	\$2,715,172	-37%
Rate/100 <i>excluding taxes</i>	\$0.0506	\$0.0354		\$0.02871		\$0.03162	
Total Premium including Taxes & Fees	\$4,445,152.79	\$3,133,561.80		\$2,464,837.00		\$2,977,166.53	
Equipment Breakdown	Liberty	Chubb		Chubb		GovPro	
Premium	\$217,273	\$141,444	-35.3%	\$141,444	-35.3%	Included	
Rate/100 <i>excluding taxes</i>	\$0.00258	\$0.00167		\$0.00167		n/a	
Total Premium with Taxes and Fees	\$4,662,425.79	\$3,275,005.80	-30%	\$2,606,281.00	-44%	\$2,977,166.53	-36%

*GovPro is a commission-based policy

*GovPro is a "Not-to-Exceed" amount

Losses to the Excess Property Layer

2016-2017 Hartford	2017-2018 Hartford	2018-2019 Hartford	2019-2020 Travelers	2020-2021 Travelers	2021-2022 Travelers	2022-2023 Travelers	2023-2024 Travelers	2024-2025 Travelers	2025-2026 Travelers
\$546,435	\$554,394	\$549,172	\$927,971	\$1,848,589	\$2,131,224	\$2,586,375	\$3,694,329	\$3,694,329	\$4,314,007
\$0	\$0	\$0	\$1,062,647	\$0	\$0	\$0	\$0	\$0	\$0
0.00%	0.00%	0.00%	114.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Loss ratio since pool inception: 4.8%

Losses to the Equipment Breakdown Layer

2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
\$89,131	\$88,752	\$87,809	\$100,492	\$114,679	\$121,888	\$138,654	\$183,536	\$194,949	\$217,273
\$176,433	\$17,865	\$7,531	\$0	\$46,868	\$10,037	\$777	\$5,261	\$0	\$0
197.95%	20.13%	8.58%	0.00%	40.87%	8.23%	0.56%	2.87%	0.00%	0.00%

Loss ratio since 2016: 39.5%

Losses to the Loss Fund



Policy Dates	Open Claims	Total # of Claims	Loss Fund	Paid Losses	Reserves	IBNR from 12/31/2025 Actuary Report	Total Incurred within SIR	Remaining Loss Fund	Corridor	Remaining corridor as of 12/31/2025	Losses to the aggregate Stop-Loss
2025-2026	51	81	\$3,545,600	\$827,945	\$553,421	\$330,910	\$1,712,276	\$1,833,324	\$300,000	\$79,000	
2024-2025	19	117	\$2,896,416	\$871,856	\$154,118	\$289,812	\$1,315,786	\$1,580,630	\$300,000	\$0	
2023-2024	15	133	\$2,125,000	\$1,551,704	\$571,713	\$1,583	\$2,125,000	\$0	n/a	N/A	
2022-2023	5	181	\$1,815,922	\$1,277,828	\$162,396	\$161,404	\$1,601,628	\$214,294	n/a	N/A	
2021-2022	5	167	\$1,674,500	\$1,674,500	\$0	\$0	\$1,674,500	\$0	n/a	N/A	\$639,424
2020-2021	1	74	\$2,118,123	\$1,416,818	\$19,148	\$37,986	\$1,473,952	\$644,171	n/a	N/A	
2019-2020	0	87	\$1,172,500	\$1,131,208	\$0	\$0	\$1,131,208	\$41,292	n/a	N/A	
2018-2019	0	94	\$930,000	\$863,553	\$0	\$0	\$863,553	\$66,447	n/a	N/A	
2017-2018	0	119	\$916,000	\$653,773	\$0	\$0	\$653,773	\$262,227	n/a	N/A	
2016-2017	2	106	\$797,000	\$797,000	\$0	\$0	\$797,000	\$0	n/a	N/A	\$241,190
2015-2016	0	74	\$780,986	\$421,970	\$0	\$0	\$421,970	\$359,016	n/a	N/A	
2014-2015	0	71	\$542,060	\$485,496	\$0	\$0	\$485,496	\$56,564	n/a	N/A	
2013-2014	0	28	\$270,000	\$184,643	\$0	\$0	\$184,643	\$85,357	n/a	N/A	
Totals	98	1332	\$19,584,107	\$12,158,294	\$1,460,796	\$821,695	\$14,440,785	\$5,143,322		\$79,000	\$880,614

All open years are still developing

Losses to the Package



	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
	Includes Excess	Includes Excess	Includes Excess	Includes Excess	Excess Written Separately	Includes Excess	Includes Excess	Includes Excess	Includes Excess	Includes Excess
Premium Paid	\$599,470	\$567,695	\$563,195	\$679,691	\$943,171	\$1,383,365	\$1,650,476	\$2,029,601	\$2,014,322	\$2,413,046
Corridor									\$300,000	\$300,000
Remaining Corridor									\$0	\$79,000
Claims to Layer	\$1,743,421	\$488,986	\$174,390	\$3,199,194	\$35,806	\$333,283	\$0	\$516,792	\$667,000	\$421,000
Claims – Aggregate Stop Loss	\$241,190	\$0	\$0	\$0	\$0	\$639,424	\$0	\$0	\$0	\$0
Net Loss Ratio	331.06%	86.14%	30.96%	470.68%	3.80%	70.31%	0.00%	25.46%	33.11%	17.45%

Loss ratio since pool inception: 63.5%

Package Renewal

Lloyds of London / Ambridge



Package	2025-2026	2026-2027	% change
Property Pool Retention	\$250,000	\$250,000	
Property Member Deductible	Various by TIV	Various by TIV	
Liability Pool Retention	\$250,000	\$250,000	
Property Limit	\$750,000	\$750,000	
Liability Limits	\$4M/\$8M	\$4M/\$8M	
Aggregate Stop Loss	\$2,000,000	\$2,000,000	
•Total Package Premium (excl T/F)	\$2,413,046	\$2,618,796	8.53%
•Total Loss Fund	\$3,545,600	\$3,700,000	4.35%
•Corridor	\$300,000	\$300,000	
Total <i>including</i> Taxes/Fee & Corridor	\$6,334,212	\$6,701,319	5.80%



Reminder:
Property Tiered Deductible based on district TIV

- Under 100M; \$10,000
- 101-450M; \$25,000
- 451M & above; \$50,000

+0.6% in TIV
No changes to terms/conditions

Projected Losses at Various Confidence Levels

Losses limited to the indicated retentions provided by Casualty Actuarial Consultants, Inc. (CAC)



Confidence Level ¹	Estimated Retained Losses w/i 250K/50K Retention
Expected - 50%	\$2,420,000
55%	2,535,071
60%	2,639,009
65%	2,764,592
70%	2,884,213
75%	3,025,214
80%	3,183,697
85%	3,374,132
90%	3,622,150
Aggregate (Approx. 91.6%)	3,700,000

Expected losses by CAC

Estimated high losses by CAC

Ambridge Loss Fund

MIST Cyber Renewal



	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Premium Paid	\$147,856	\$131,186	\$131,186	\$139,043	\$171,443	\$390,000	\$578,350	\$608,300	\$593,313	\$616,149
Claims to Layer	\$0	\$31,063	\$149,432	\$50,790	\$179,000	\$3,259	\$567,338	\$191,748	\$0	\$0
Net Loss Ratio	0%	24%	114%	37%	104%	1%	98%	32%	0%	0%

Loss ratio since 2014: 31%

CFC	2025-2026	2026-2027	% Change
Total Premium excluding taxes and fees	\$616,149	\$611,099	
Total Premium including taxes and fees	\$634,880	\$634,880	0%

*Cyber moved to a Master Policy in 2025

MIST Optional Cyber



Why additional cyber:

- ✓ Ransomware attacks on educational institutions increased 23% in early 2025, with average demand at \$556,000
- ✓ K-12 schools averaged 4,388 cyberattacks per organization per week in Q2 2025, making education the “most attacked industry globally”
- ✓ Education sector experienced 1,075 confirmed security incidents and 851 data breaches in 2025
- ✓ **Recommendation to take advantage of the currently stabilized cyber market**

Current: \$2M total limit

Additional Option 1: \$1M xs \$2M = \$3M total limit

Additional Option 2: \$2M xs \$2M = \$4M total limit

Additional Option 3: \$3M xs \$2M = \$5M total limit



Pricing options will be included in individual proposals

Pollution Liability



	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Premium Paid	\$71,840	\$74,043	\$75,156	\$84,276	\$90,217	\$84,276	\$90,217	\$138,732	\$146,386	\$167,507
Claims to Layer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Loss Ratio	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

	2025-2026	2026-2027	% Change
Total Premium excluding taxes and fees	\$167,507	\$173,592	
Total Premium including taxes and fees	\$172,599	\$178,869	3.6%