



Minnesota Insurance Scholastic Trust

Full Membership Renewal Meeting

May 16, 2024



Minnesota Insurance Scholastic Trust

Roll Call



Minnesota Insurance Scholastic Trust

Approval of the Agenda

Motion Required



Agenda

- I. **Introductions and Welcome** Sandy Linn
- II. **Roll Call**
- III. **Approval of Agenda** – motion required
- IV. **Public Comment**
- V. **Approval of Meeting Minutes**
 - a. December 20, 2023 – motion required
- VI. **Chairperson’s Report** Sandy Linn
- VII. **Treasurer’s Report** Lisa Johnson
- VIII. **Gallagher Bassett Claim’s Administration Presentation:** Emily Wells
- IX. **Program Administrator’s Annual Renewal Presentation:** Jack Kurcab
- X. **Gallagher Bassett Loss Control Presentation:** Jonathan Wilson
- XI. **Other Matters**
 - a. Executive Committee Election – 5 Open Positions - motion required
 - i. Sarah Slaby – returning board member
 - ii. Kent Fritze – returning board member
 - iii. Mike Kelley – returning board member
 - iv. 2 Vacant Positions
- XII. **Future Full Membership Meeting Date:**
 - a. Midterm Review – December 17, 2024 – Virtual via Teams
- XIII. **Adjournment-** motion required



Minnesota Insurance Scholastic Trust

Public Comment



Minnesota Insurance Scholastic Trust

Approval of Meeting Minutes: 12/10/23

Motion Required



Minnesota Insurance Scholastic Trust

Chairperson's Report

Sandy Linn

MIST Chairperson's Report



- MIST provides your district a HOME, you wont be dropped
- MIST is owned & operated by Minnesota school districts
- **A net position of over \$1.96M**
- No changes to limits or deductibles
- All MIST Members enjoy comprehensive Cyber Individual Cyber Limits - \$2M
- Program is 100% transparent, all financials, rates, fees and commissions are disclosed to all members.
- MIST provides members surplus distributions - \$375K distributed to date

**MIST's 11th year
of service to
Minnesota Schools!**

Stronger Together

Your MIST Executive Board



MIST Position	Name	Member District
MIST Chairperson	Sandy Linn	New Prague Area Schools
MIST Vice - Chairperson	Kim Sandry	MACCRAY Public School District
Treasurer	Kent Fritze	Park Rapids Area Schools
Board Member	Sarah Slaby	Winona Area Public Schools
Board Member	Mike Kelley	Randolph Public School District



Minnesota Insurance Scholastic Trust

Treasurer's Report

Lisa Johnson - ARTEX



Statements of Net Position

March 31, 2024



ASSETS

Cash	\$	4,429,838
Deductible Receivables		55,916
Excess Insurance Recoveries Receivable		302,187
Aggregate Excess Receivable		958

TOTAL ASSETS \$ 4,788,899

LIABILITIES AND NET POSITION

LIABILITIES

Accounts Payable and Other Accrued Expenses	\$	20,446
Due to Insurance Carriers		11,873
Reserve for Outstanding Losses		2,175,529
Reserve for IBNR Losses		620,174

TOTAL LIABILITIES 2,828,022

NET POSITION

Retained Loss Fund FY 17-18	262,227
Retained Loss Fund FY 18-19	40,493
Retained Loss Fund FY 19-20	41,292
Retained Loss Fund FY 20-21	870,476
Retained Loss Fund FY 22-23	80,617
Retained Loss Fund FY 23-24	116,157
Contingency Fund	386,310
Unallocated Surplus	163,305

TOTAL NET POSITION 1,960,877

TOTAL LIABILITIES AND NET POSITION \$ 4,788,899

Statements of Revenue/Expenses – March 31, 2024



	March 31, 2024	Budget for Year Ending June 30, 2023	Variance Over/(Under) Budget (\$)	Variance Over/(Under) Budget (%)
REVENUES				
Premium Contributions	\$ 6,853,952	\$ 6,853,091	861	0.01%
Broker and Pool Management Contributions	534,184	534,184	-	0.00%
Loss Fund Contributions	2,125,000	2,125,000	-	0.00%
Operating Fund Contributions	100,123	100,123	-	0.00%
Investment Income	90,962	-	90,962	0.00%
Total Revenues	<u>9,704,221</u>	<u>9,612,398</u>	<u>91,823</u>	<u>0.96%</u>
EXPENSES				
Premiums to Excess Insurance Carriers	<u>6,853,952</u>	<u>6,853,091</u>	<u>861</u>	<u>0.01%</u>
Losses and Loss Expense Paid and Incurred				
Paid Losses	1,123,367	2,125,000	(1,001,633)	(47.14%)
Change in Case Reserves	1,214,796	-	1,214,796	0.00%
Change in IBNR	170,365	-	170,365	0.00%
Deductable Reimbursement	(60,672)	-	(60,672)	0.00%
Excess Insurance Reimbursement	(293,914)	-	(293,914)	0.00%
Excess Aggregate Reimbursement	(121,065)	-	(121,065)	0.00%
Subrogation Recoveries	(37,443)	-	(37,443)	0.00%
Net Loss Expense	<u>1,995,434</u>	<u>2,125,000</u>	<u>(129,566)</u>	<u>(6.10%)</u>
Broker and Pool Management Fees				
Management Fees-AJG	349,783	349,783	-	0.00%
Claims Processing (GB)	116,136	154,161	(38,025)	(24.67%)
Loss Control Fees-GB	30,240	30,240	-	0.00%
Total Cost of Broker and Pool Management Fees	<u>496,159</u>	<u>534,184</u>	<u>(38,025)</u>	<u>(7.12%)</u>

Statements of Revenue/Expenses

March 31, 2024



Other Operating Expenses				
Treasury Services (Artex)	31,762	31,762	-	0.00%
Pool D&O, E&O Insurance	38,004	38,005	(1)	(0.00%)
Crime Insurance for Board	2,199	2,199	-	0.00%
Audit Services	10,735	10,750	(15)	(0.14%)
Actuary Services	6,000	10,750	(4,750)	(44.19%)
Legal Services	-	3,000	(3,000)	(100.00%)
Bank Charges	-	1,000	(1,000)	(100.00%)
Board Meeting Expenses	-	1,000	(1,000)	(100.00%)
Miscellaneous	-	1,000	(1,000)	(100.00%)
Total Other Operating Expenses	<u>88,700</u>	<u>99,466</u>	<u>(10,766)</u>	<u>(10.82%)</u>
TOTAL EXPENSES BEFORE DIVIDENDS	<u>9,434,245</u>	<u>9,611,741</u>	<u>(177,496)</u>	<u>(1.85%)</u>
Member Dividends	<u>-</u>	<u>-</u>		
CHANGES IN NET POSITION	\$ 269,976	\$ 657	<u>269,319</u>	<u>40992.24%</u>
Net Position-beginning	<u>1,690,901</u>	<u>1,690,901</u>		
Net Position-ending	<u>\$ 1,960,877</u>	<u>\$ 1,691,558</u>		

NET Position!!



**Increase of \$269,319
Previous Carrier profit**



Minnesota Insurance Scholastic Trust

Gallagher Bassett Claims Presentation

EMILY WELLS / GALLAGHER BASSETT

Top 5 types of liability claims – Frequency vs. Severity



Frequency

Accident Type	Claim Count	% of Total	Total Incurred	% of Total
Vehicle Accident	148	38.00%	\$1,272,683	31.00%
Slip/Trip/Fall	102	26.00%	\$609,302	15.00%
School Board Legal	35	9.00%	\$513,612	13.00%
Struck/Injured by Student	19	5.00%	\$21,330	0.01%
Struck by Object	17	4.00%	\$28,191	0.01%
Alleged Assault	17	4.00%	\$358,243	8.00%
Totals for Top 5	338	86.00%	\$2,803,361	67.01%

Severity

Accident Type	Claim Count	% of Total	Total Incurred	% of Total
Vehicle Accident	148	38.00%	\$1,272,683	31.00%
Slip/Trip/Fall	102	26.00%	\$609,302	15.00%
Alleged Assault	17	4.00%	\$358,243	8.00%
Alleged Misconduct	4	1.00%	\$536,833	13.00%
School Board Legal	35	9.00%	\$513,612	13.00%
Totals for Top 5	156	78.00%	\$3,290,673	81.00%

Top 5 sources of property claims – Frequency vs. Severity



Frequency

Accident Source	Claim Count	% of Total	Total Incurred	% of Total
Vehicle Accident	97	46.00%	\$453,974	7.00%
Hail	31	15.00%	\$2,917,087	45.00%
Wind	15	7.00%	\$567,960	9.00%
Plumbing, Heating, AC Discharge/Overflow	9	4.00%	\$260,619	4.00%
Fire	8	4.00%	\$349,998	5.00%
Rain	8	4.00%	\$731,702	11.00%
Totals for Top 5	168	80.00%	\$5,281,340	81.00%

Severity

Accident Source	Claim Count	% of Total	Total Incurred	% of Total
Hail	31	15.00%	\$2,917,087	45.00%
Rain	8	4.00%	\$731,702	11.00%
Equipment Malfunction	5	2.00%	\$599,283	9.00%
Wind	15	7.00%	\$567,960	9.00%
Vehicle Accident	97	46.00%	\$453,974	7.00%
Totals for Top 5	156	74.00%	\$5,270,006	81.00%

180 Day Reporting Requirement

Sexual abuse and harassment incidents must be reported **as quickly as possible**
MIST's carrier partner requires notice within **180 days** of the District's **discovery** of
an incident

"Discovery" Policy Definition:

Any actual, attempted or pending alleged SEXUAL ABUSE shall exist when any of the NAMED ASSURED'S officials, trustees, directors, officers, partners or any person that the NAMED ASSURED has made responsible in an official capacity to prevent SEXUAL ABUSE has taken receipt, learned, or in the exercise of reasonable care should have known:

- (a) of any lawsuit alleging SEXUAL ABUSE; or
- (b) of any demand for money or services based upon alleged SEXUAL ABUSE; or
- (c) of any criminal investigation or prosecution alleging SEXUAL ABUSE; or
- (d) of any allegation by an alleged victim or by a parent or guardian of the alleged victim of SEXUAL ABUSE, whether the allegation is or is not accompanied by a demand for money or services; or
- (e) of any report from any other person alleging SEXUAL ABUSE, and a person or group designated by the NAMED ASSURED to investigate the allegation has investigated and as a result of the investigation has recommended that any action of any kind be taken by or on behalf of the NAMED ASSURED with respect either to the alleged ASSURED or the alleged victim; or
- (f) that the alleged ASSURED has admitted to acts of SEXUAL ABUSE.



GALLAGHER BASSETT TEAM

Client Services

Emily Wells
Director, Client Services
Direct Dial: 630-285-3857
Emily_Wells@gbtpa.com

School Board Legal Liability

*Karleigh Bava
Assistant Branch Manager
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*Kay Lewis
Supervisor
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Danielle Tangorra
SBLL Resolution Manager
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Auto Liability, GL, & Property

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Sr. Resolution Manager - Lead
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Melanie Greening
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Melanie_Greening@gbtpa.com

*Denotes change

THANK YOU!



Minnesota Insurance Scholastic Trust

Administrator's Report

Jack Kurcab, Nick Lano, Sam Ding



Minnesota Insurance Scholastic Trust

Brokerage & Administration



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
★ Sam Ding – Assistant Program Manager	617-678-5360	Sam_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



Administrator's Report

Feb, March, April, May 2024



- Coordinated Executive Committee meetings
- Reviewed online Questionnaires/Changes and followed up with members regarding outstanding information missing as well as supplemental applications.
- Prepared submissions for market
- Met with carriers to discuss 2024-2025 renewal targets
- Prepared and submitted renewal requests to carrier for P&C
- Prepared and submitted renewal requests to carriers for E&O and Crime
- Prepared Property/Casualty Renewal proposal for Executive Committee Meeting
- Compiled Property/Casualty data and submitted it to Casualty Actuarial Consultants for preparation of the program actuarial report, funding levels and premium allocations
- Prepared and set up meeting packets
- Worked with MIST Treasurer Artex to finalize 2024-2025 Operating Budget
- Place Builders Risk Policy for Members as Needed
- Reviewed, responded and subsequently issued Certificates of Insurance on behalf of MIST Members.
- Reviewed and answered coverage questions from MIST Members
- Reviewed contracts as needed for members
- Settlement notification sent out regarding claims meetings
- Secured vendor renewal contracts for 2024
- Negotiated renewal terms and conditions with carriers



Minnesota Insurance Scholastic Trust

2024-2025 Property / Casualty Renewal

MIST

Renewal Statistical Information

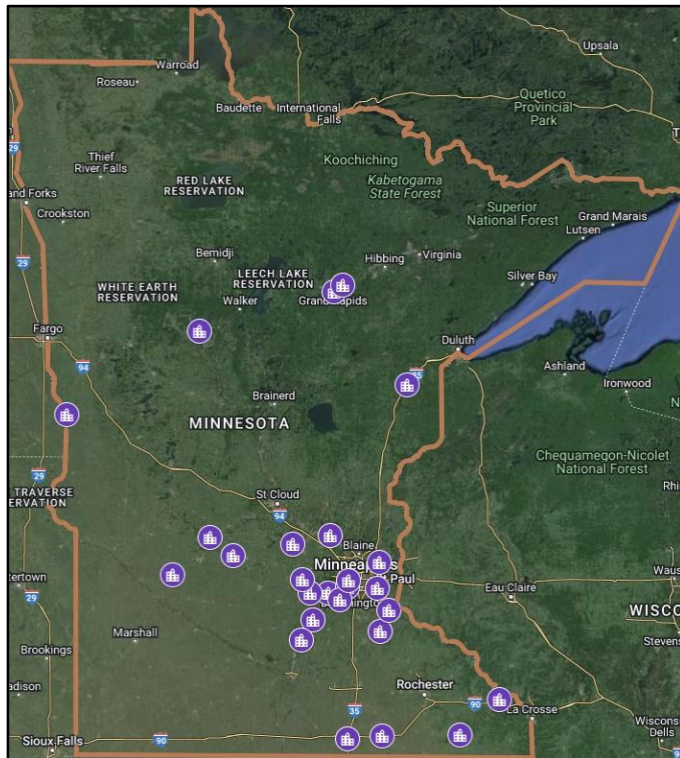


	2023-2024	2024-2025	% Change
Total Insured Values (TIV)	\$7,388,633,236	\$7,566,914,697	2.4%
Student Count	91,982	92,528	.6%
Vehicle Count	750	749	-.1%





MIST Member List



ACGC Public Schools ISD #2396
Albert Lea ISD #241
Austin Public Schools ISD #492
Barnum Public Schools ISD #91
Belle Plaine Public Schools ISD # 716
Breckenridge ISD #846 Wilkin County
Eastern Carver County School District ISD #112
Edina Public Schools ISD #273
Elk River Area School District ISD #728
Fillmore Central Schools ISD #2198
Grand Rapids ISD #318
Greenway Public Schools ISD #316
Hastings Public Schools ISD #200
LeSueur-Henderson ISD #2397
MACCRAY ISD #2180
Maple Lake ISD #881
New London-Spicer Schools ISD #0345
New Prague Area Public Schools ISD #721
Park Rapids Area Schools ISD #309
Randolph School District #195
South St. Paul ISD#6
SouthWest Metro ISD #288
St. Louis Park Public Schools ISD #283
Waconia ISD #110
Watertown-Mayer Public School ISD #111
White Bear Lake Area Schools ISD 624
Winona Area Public Schools ISD #861



MIST Net Position

As March 31, 2024

\$1,960,877

*3/31/24 Net Position

Previously Carrier Profit





Minnesota Insurance Scholastic Trust

State of the Marketplace

State of the Insurance Marketplace

The Big Picture - Property



- **Property is still the driving force behind market challenges and renewal increases**
- 1/1/24 Reinsurance treaties were orderly – Rate increases remain, yet less severe than years past
- Severe convective storms (SCS) - #1 Loss industry leader
- **New Modeling increasing the average annual loss picture (AAL) 2x higher than past model software**
- Inflation increases have leveled/showed slight decreases but YOY increases in materials is still a factor.
 - Equipment prices have continued to increase . -1.5 - 0% in Q2 2024.
- Underwriting on focus on what insureds are doing to prevent and mitigate losses – Winter Weather , Water sensors
- First dollar market for schools continues to experience rate and deductible increases. Limited marketplace for schools, many are seeing large rate increases, restricted coverage, ACV clauses or no coverage at all.
- **Reinsurers pushing larger primary wind/hail deductibles (Becoming more common)**

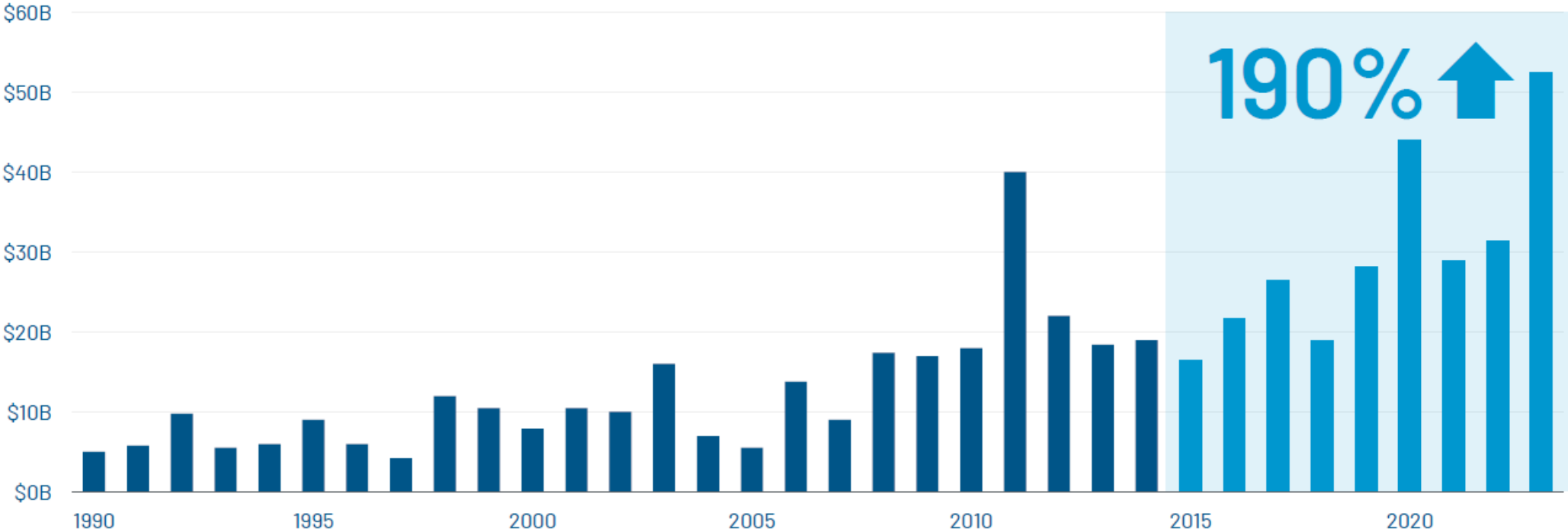


State of the Insurance Marketplace



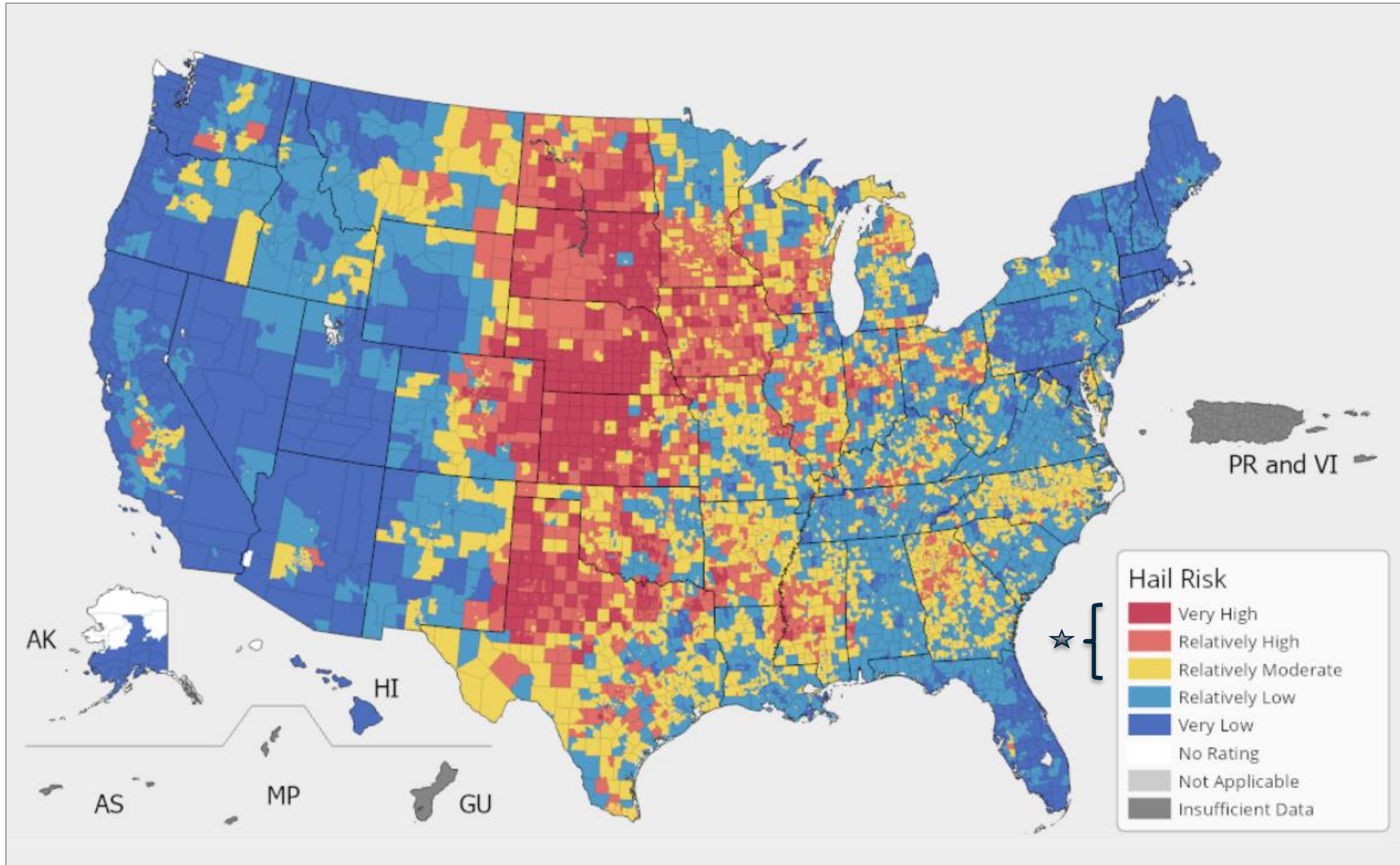
Severe Convective Storms

Convective Storms – Annual Insured Loss – 1990 - 2023



Sources: Arthur J. Gallagher & Co. and https://www.iii.org/sites/default/files/docs/pdf/triple-i_state_of_the_risk_convective_storms_10232023.pdf

State of the Marketplace - Property



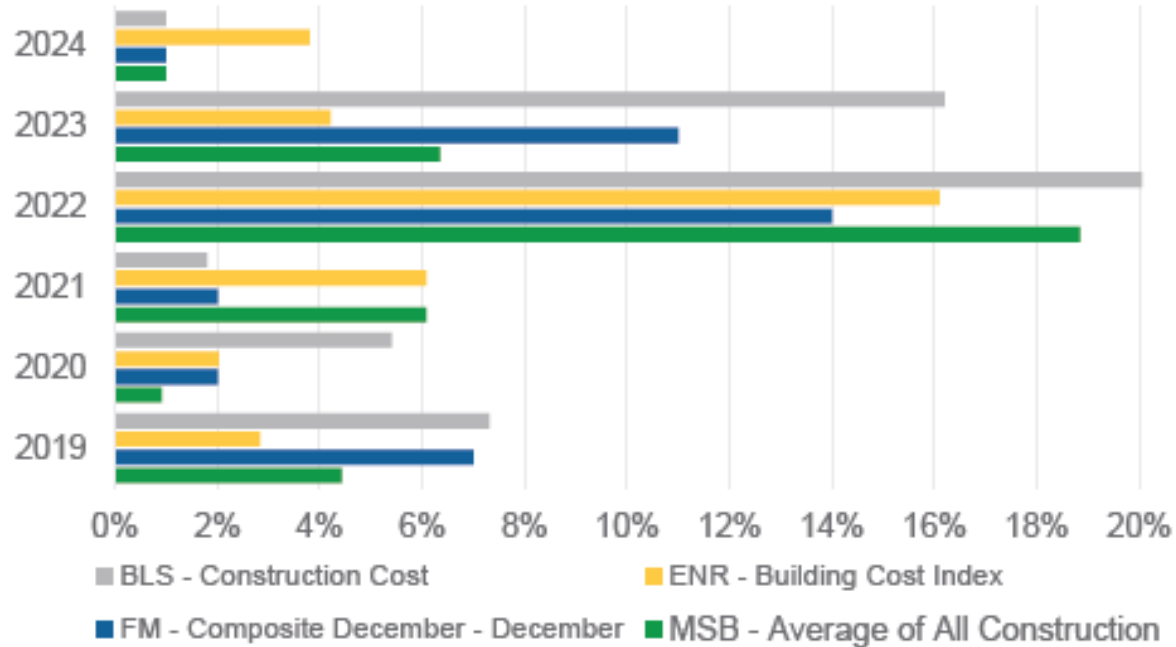
[Hail | National Risk Index \(fema.gov\)](https://www.fema.gov)



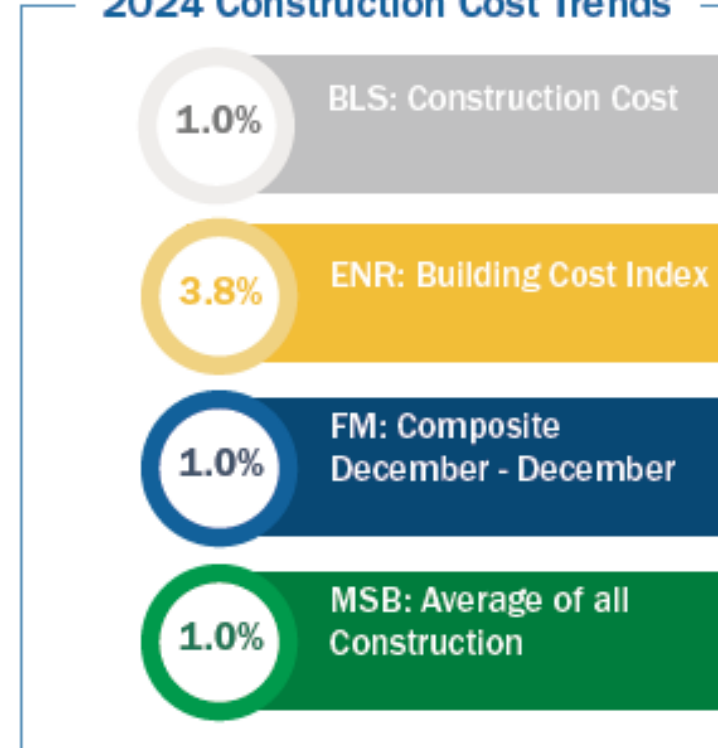
State of the Insurance Marketplace



Construction Cost Trends April Yearly



2024 Construction Cost Trends



Although inflation increases have moderated, year over year inflation is still a factor as there has been no significant decrease in overall costs



State of the Marketplace - Casualty

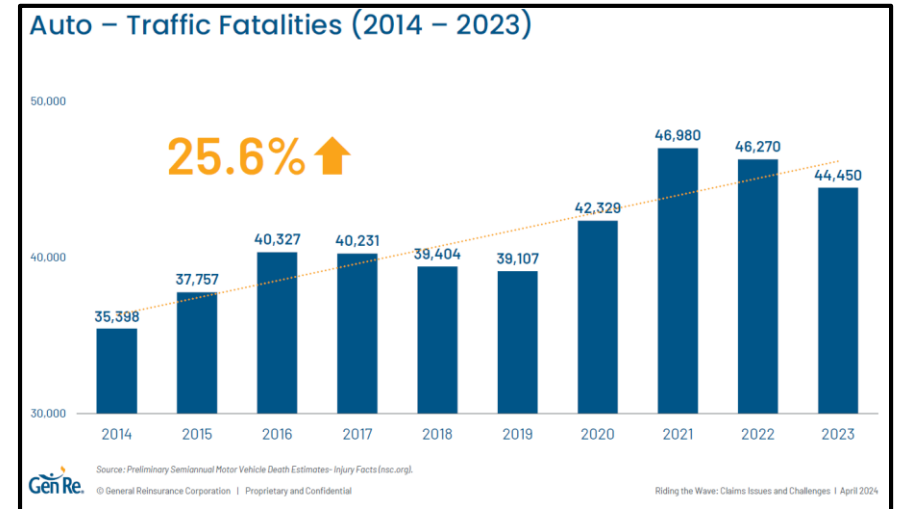


Auto:

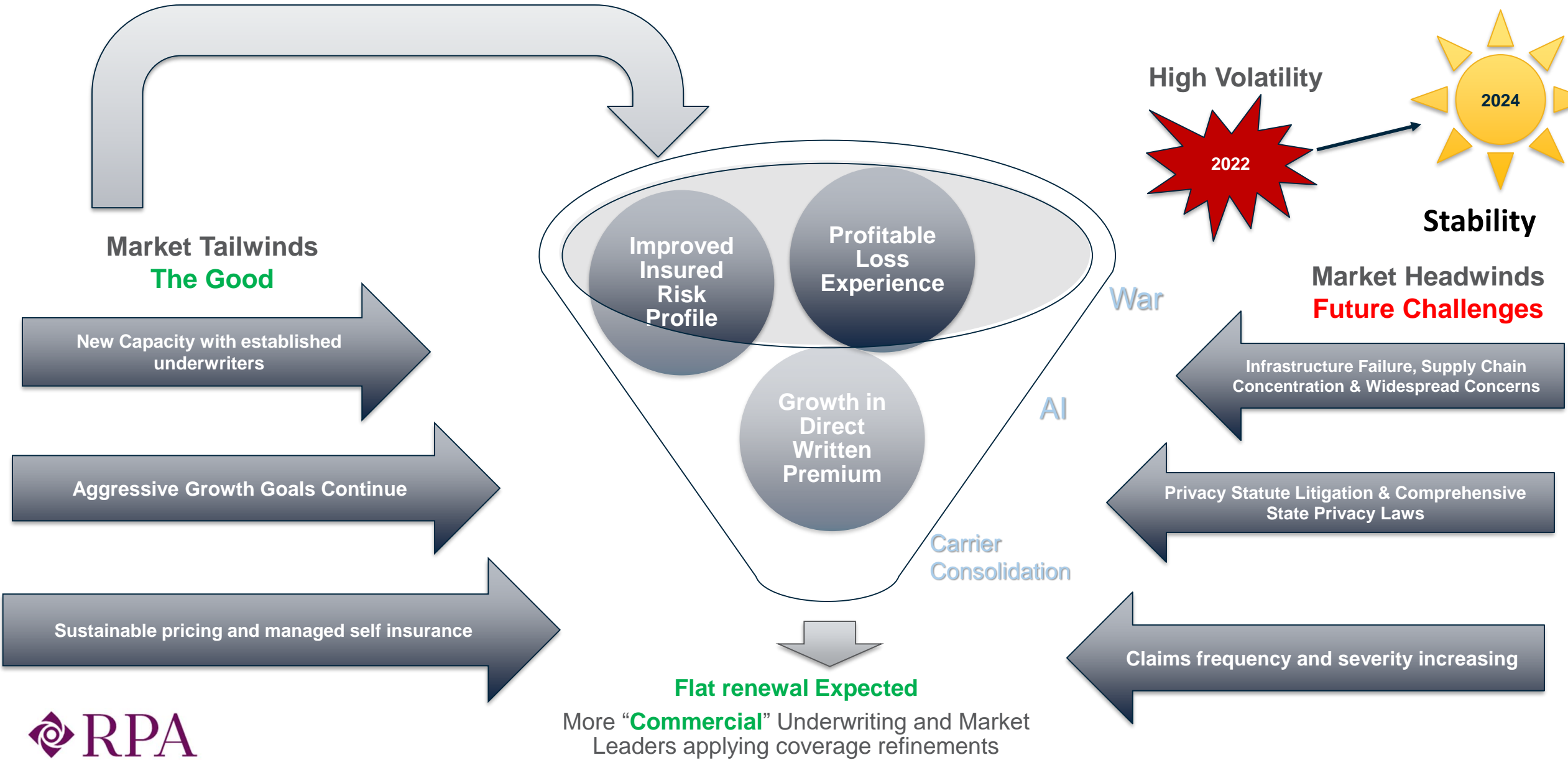
- Auto combined ratios are exceeding profitable levels for reinsurers – Claims frequency and severity remain
- **One of the greatest risk for our students, districts and MIST**
- Distracted driving (cellphones, texts/emails, social media, online apps)
- Bus driver quality huge industry issue - “Trickle down effect”
- Update policies and procedures and conduct regular driver training

Liability:

- Sexual Abuse remains the most important exposure – **Preventable**
 - Loss Mitigation starts at the top
 - Develop a process, create reporting procedure
- Social inflation, nuclear verdicts, and rising jury verdicts are driving increased claim costs for liability
 - Society is agitated
- Employment practices matters/discrimination & IEP continue
- The average liability settlements on the rise
- Underwriters are considering tail on liability, such as retro dates (10 years)



State of the Marketplace – Cyber Liability





Minnesota Insurance Scholastic Trust

Review of MIST Losses

Review of Significant Historical Losses

Major Claims – Over \$200,000



2015

- Bullying - **\$423,751**

2016

- Allegations of sexual abuse - **\$860,000** (3 victims)
- Roof under construction not properly sealed off by contractor - **\$356,091**
- Disability violation - **\$250,000**

2017

- Bus rollover – driver fell asleep- **\$200,071**

2019

- Civil rights case w/ African American students - **\$2,040,060**
- Hail damage to building - **\$2,144,258**
- Leaking roof caused damage to gym floor - **\$238,418**
- Copy rights violation - **\$322,500**

2020

- Inappropriate sexual relationship with Coach - **\$535,807**
- Burst pipes caused damage to the wrestling room - **\$338,283**

2021

- Water line broke causing damage to wrestling room and gym floor – **\$318,523**

2022

- Contractor cut hole and rain damaged gym floor - **\$251,500**
- Back-up from storm damaged gym floor - **\$217,583**

2023

- Damage from severe weather - **\$605,000**
- Driver making delivery fell backwards - **\$200,000**
- Student fell out of wheelchair after driver hit a bump - **\$430,000**
- Air exchanger malfunctioned allowing cold air in resulting in a frozen pipe - **\$255,000**

Package Renewal Ambridge



Package	2023-2024 Expiring	2024-2025 Renewal	% change
Property Pool Retention	\$250,000	\$250,000	
Property Member Deductible	Various*	Various*	
Liability Pool Retention	\$250,000	\$250,000	
Property Limit	\$750,000	\$750,000	
Liability Limits	\$4M/\$8M	\$4M/\$8M	
Corridor Deductible (This will be collected at renewal) ★	n/a	\$300,000	
Aggregate Stop Loss	\$2,000,000	\$2,000,000	
Total Package Premium (excl T/F)	\$2,029,601	\$1,998,639	- 1.5%
Total Package Loss Fund	\$2,125,000	\$2,850,000	34.1%
Total <i>including</i> Taxes/Fee & Corridor	\$4,218,130	\$5,211,326	23.5%

Tiered Maintenance Deductible – SAME AS EXPIRING

0-100M TIV = \$10,000 Property, \$10,000 SBLL
 101M-450M TIV = \$25,000 Property, \$25,000 SBLL
 451M-1B TIV = \$50,000 Property, \$30,000 SBLL



Excess Property Renewal Premium



Travelers Insurance Company	Expiring 2023-2024	Renewal 2024-2025	% Change
Loss Limit	\$200,000,000	\$200,000,000	
Total Insured Value (TIV)	\$7,388,633,236	\$7,566,914,697	2.4%
Total Premium	\$3,672,515	\$3,595,000	- 2.7%
Rate/100 <i>excluding taxes</i>	\$0.0500	\$.04751	- 5%
Total Premium with Taxes and Fees	\$3,784,159	\$3,704,288	- 2.69%

- Important Notes:**
- Matching expiring terms and conditions
 - **No Percentage (%) Wind/Hail Deductible**
 - No changes to terms/conditions
 - Chubb provided a competitive option, but had higher deductible for members
 - TIV increase of 2.4%



2024-2025 Property/Casualty Program Structure



Travelers Insurance Co Excess Property \$200,000,000 Per Occurrence															
Lloyds of London / Ambridge \$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District		Lloyds of London / Ambridge \$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District		Lloyds of London / Ambridge \$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District		Lloyds of London / Ambridge \$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District		Lloyds of London / Ambridge \$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District		Lloyds of London / Ambridge \$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District		Lloyds of London / Ambridge \$1,000,000 per claim		Lloyds of London / Ambridge \$2,000,000 Excess of Loss Fund Protection	
Lloyds of London / Ambridge \$750,000 Per Occurrence														Pool Loss Fund: Varies if new members are added	
All Lines Corridor: \$300,000 each occurrence/Aggregate Once corridor is eroded, Lloyds of London drops down excess of the pool SIR															
Pool SIR \$250,000 Per Occurrence		Pool SIR \$250,000 Per Occurrence		Pool SIR \$250,000 Per Occurrence		Pool SIR \$250,000 Per Occurrence		Pool SIR \$250,000 Per Occurrence		Pool SIR \$250,000 Per Occurrence		Pool SIR \$250,000 Per Occurrence		Pool SIR \$50,000 per Occurrence	
Maintenance Deductible between \$10k and \$50K depending on TIV Except APD: \$1,000		Maintenance Deductible No Deductible		Maintenance Deductible No Deductible		Maintenance Deductible No Deductible		Maintenance Deductible No Deductible		Maintenance Deductible No Deductible		Maintenance Deductible between \$10k and \$50K based on Member size		Maintenance Deductible \$2,500	
Property and Automobile Physical Damage		General Liability		Automobile Liability		Sexual Abuse		Employee Benefits		Law Enforcement		School Board Legal Liability		Crime	

Both Variable Costs, eligible as surplus if unused



MIST First Dollar/Traditional Policies 2024-2025



Lloyds of London / CFC

Individual Policies & Limits for each Member

Various Sublimits Apply

Deductible:
Varies by member

Cyber Liability

Liberty Mutual

\$250,000,000 Policy Limit

Various Sublimits Apply

Deductible:
\$2,500

Equipment Breakdown

Ironshore Specialty

Third Party Claim Coverage Only

No First Party Clean-up Coverage

\$3,000,000 per occurrence / \$10,000,000 Pool Aggregate

Various Sublimits Apply

Deductible:
\$25,000
Mold: \$50,000

Pollution Liability

(1) Various deductibles/sub-limits by district apply.
 (2) * Individual policy, individually underwritten, individual limits of liability



MIST Property/Casualty Renewal Premium Summary



Coverage	Expiring 2023-2024	Renewal 2024-2025
Package with taxes & fees	\$2,093,129	\$2,061,326
Excess Property	\$3,806,636	\$3,704,288
Boiler and Machinery	\$183,536	\$192,709
Pollution Liability	\$142,949	\$148,775
Cyber Liability	\$605,875	\$580,071
RPA/Gallagher Brokerage & Administration Fee	\$349,783	\$367,272
Pool Operating Fee	\$132,373	\$105,893
TPA Fee	\$154,161	\$163,847
Loss Control	\$30,240	\$32,400
Loss Fund & Corridor	\$2,125,000	\$3,150,000
Total with Taxes and Fees	\$9,623,683	\$10,506,582

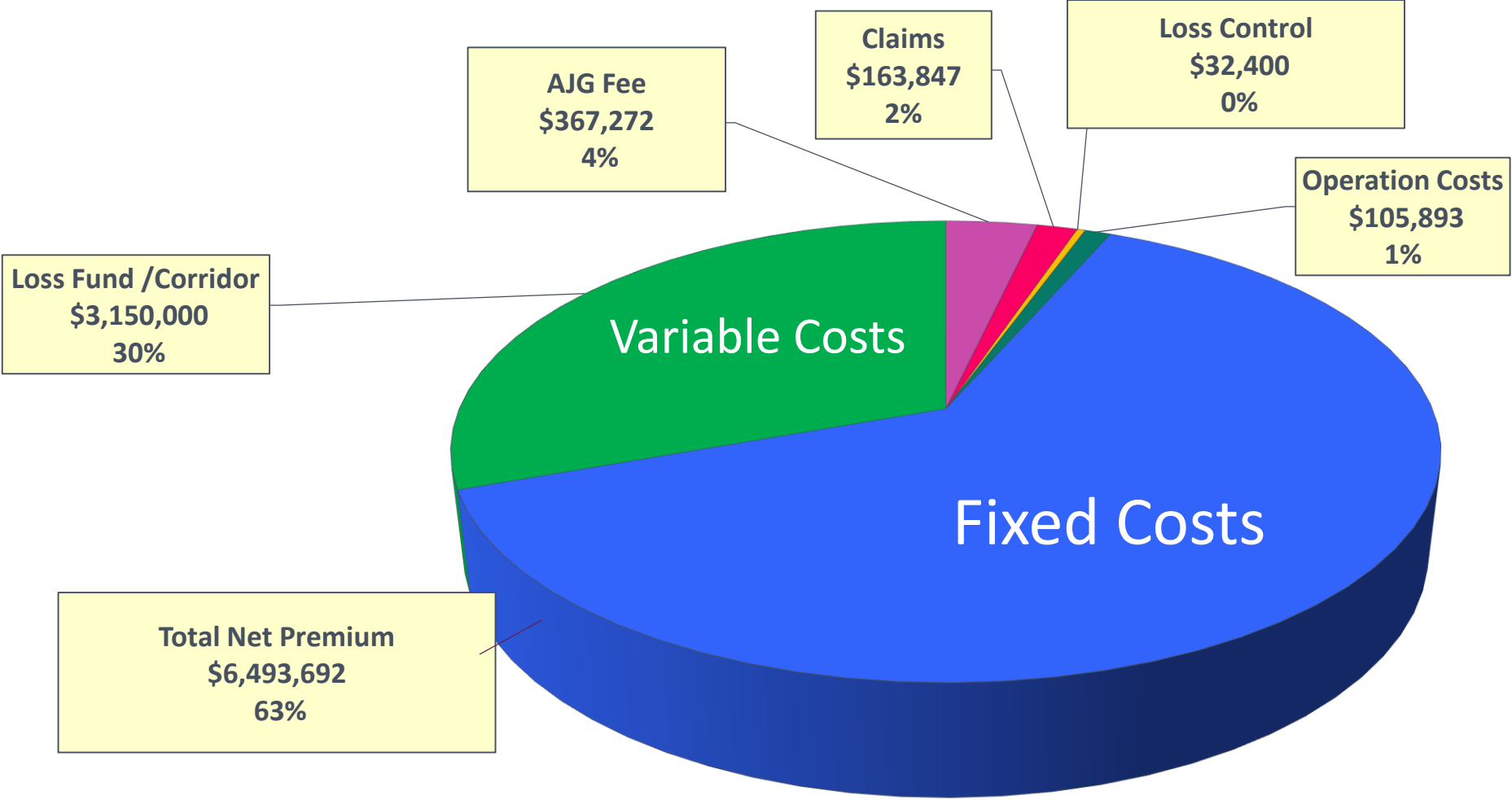
+2.4% TIV
9.1% Overall

*Premiums include taxes and fees, where applicable

**Taxes/fee = 2.94% of the overall 9.1% renewal

No changes to deductibles or limits

Fixed vs Variable Cost



Excludes taxes and fees

31% Variable 69% Fixed



Key Meeting Takeaways



- Market is still hard, property is driving force
- Achieved lower than projected renewal results with no changes in terms/conditions/limits
- **Negotiated renewal terms with Travelers with no wind/hail deductibles and a rate reduction**
- **No % Wind/Hail deductibles for MIST, which are becoming the norm in MN outside of MIST**
- First dollar marketplace is limited, rate increases, coverage restrictions and deductible increases
- **Corridor** deductible increases the variable costs of the pool and drives down fixed premiums
 - Increases surplus potential and brings market/carrier stability
- **\$1,960,000 MIST Net Position (3/31/2024)**
 - MIST was structure to pay catastrophic losses, retain underwriting profit for predictable risks
- Continued importance in loss control – Mitigating future losses
- Pools have flexibility during a “hard market” – Bring stability to marketplace change
- There will be continued focus on property values in 2025
- MIST gives you a HOME and will not drop you. A lot of interested schools looking at MIST
- **Coverage enhancement available - Crisis Protection**



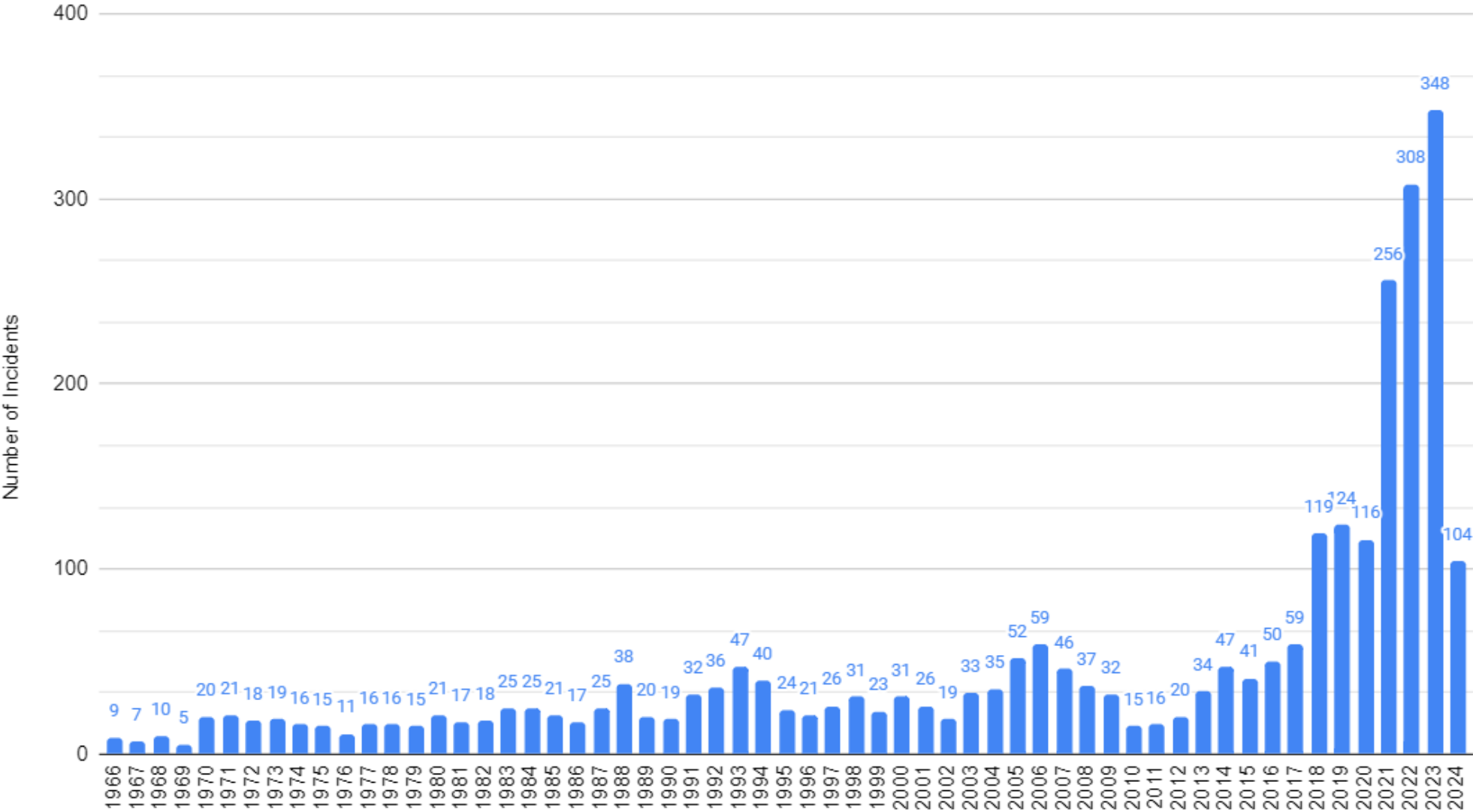
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Crisis Protect

Continued increase in violent events



K-12 School Shooting Database: Incidents by Year 1966-2024

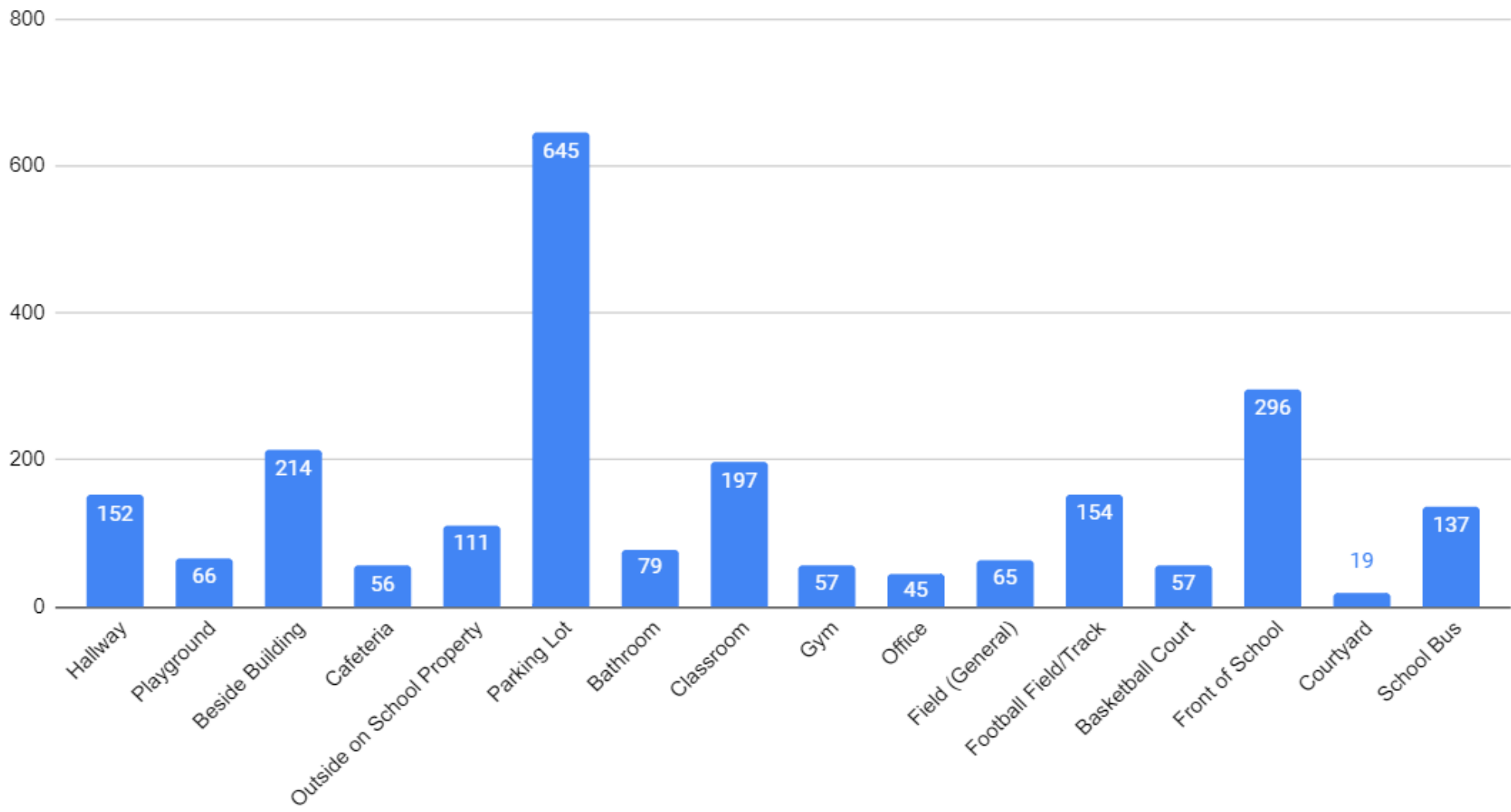


GCP helps MIST members prepare for the unknown

Available 24/7/365



Location at School where Shooting Occurred



Gallagher Crisis Protect



Crisis Consulting Support

Pre – Incident Support

- Online crisis management portal
- Private consulting services
- Training resources
- Risk management allowance

Incident Response

- 24/7/365 emergency response number to get immediate support & advice in a crisis
- Crisis 24/MBL – leader in field for crisis response
- Access to live incident log via online crisis management portal

Post - Incident

- Counseling advice & legal support
- Incident log summary case file for audit & records

What does it cover?



Low	Moderate	Substantial	Severe
	Deprivation		
	Employee Dishonesty	Civil Commotion	Assault
Hostage Crisis	Extortion	Cyber Extortion	Stalking
Product Tamper	Kidnap	Emergency Repatriation	Threats
	Radicalisation	Hijack	Vicious Attack
	Terrorism		

What does Crisis Protection offer?



Gallagher Crisis Protection:

- \$1,000,000 any one occurrence/aggregate - some coverages subject *to sublimits*
- Pre incident training and support
- Phone number to call and response capability during/post an incident occurring
- **Funeral costs**
- **Death and Disablement costs**
- **Crisis Communication costs (PR)**
- **Counseling services/costs**
- **Incident management portal date and time stamp around the events which could be called upon in defense**
- Deployment of additional security costs
- Extra expenses and additional costs as required
- Limited Demo restitution and rebuild costs as required



Crisis Protect

2024-2025



Survey Results

- Yes - 12
- No – 6
- Maybe -1
- No Answer – 8

District
ACGC PUBLIC SCHOOLS ISD #2396
ALBERT LEA AREA SCHOOLS ISD #241
AUSTIN PUBLIC SCHOOLS ISD #492
BARNUM PUBLIC SCHOOL DISTRICT ISD #91
BELLE PLAINE PUBLIC SCHOOLS ISD #716
BRECKENRIDGE ISD #846 Wilkin County
EASTERN CARVER COUNTY SCHOOL DISTRICT ISD #112
EDINA PUBLIC SCHOOLS ISD #273
ELK RIVER AREA SCHOOL DISTRICT ISD #728
FILLMORE CENTRAL SCHOOLS ISD #2198
GRAND RAPIDS ISD #318
GREENWAY PUBLIC SCHOOLS ISD #316
HASTINGS PUBLIC SCHOOLS ISD #200
LE SUEUR-HENDERSON ISD #2397
MACCRAY PUBLIC SCHOOL DISTRICT ISD #2180
MAPLE LAKE PUBLIC SCHOOLS ISD #881
NEW LONDON-SPICER SCHOOLS ISD #0345
NEW PRAGUE AREA SCHOOLS ISD #721
PARK RAPIDS AREA SCHOOLS ISD #309
RANDOLPH ISD 195
SOUTH ST. PAUL PUBLIC SCHOOLS ISD #6
SOUTHWEST METRO INTERMEDIATE DISTRICT #228
ST. LOUIS PARK PUBLIC SCHOOLS ISD #283
WACONIA ISD #110
WATERTOWN-MAYER PUBLIC SCHOOL ISD #111
WHITE BEAR LAKE AREA SCHOOLS ISD #624
WINONA AREA PUBLIC SCHOOLS ISD #861

Excludes crisis arising from sexual misconduct



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Actuarial Debit/Credit Report

MIST Debit / Credit for Package Premium & Loss Fund



1. # of loss years used? 5 loss years

2. Which loss years are used?

Only completed loss years are used, so that would include:

7/1/18-19, 7/1/19-20, 7/1/20-21, 7/1/21-22, 7/1/2022-23 in the current analysis.

New Members (joining on 7/1/18 or after) – Receive no debit credit allocation for first year (receive % change of pool renewal for Package/Loss Fund)

3. What Cap (if any) is applied to individual members large losses (not the debit/credit price cap). For example, a P/C loss gets capped at the \$250,000k SIR for P/C (if that option is chosen)?

The losses in the credit-debit process are capped at the corresponding SIR – \$250,000, if recommended program is selected.

4. Are loss years used in the debit/credit calculation for years members were not in MIST or are only the years they participated in MIST used for the calculation?

Yes, non-MIST loss years are used in the process to complete the 5 years analysis.

5. What is the weighting of the debit credit system?

Similar to last year, we use a weighting of 80% loss and 20% exposure.

Property/Casualty Loss Fund & Package Premium Allocation

Actuarial Analysis - Allocation Methodology (Debit/Credit System)



- **Exposures used:**
 - Total Insured Values, Student Count, Vehicle Count
- **The actuarial approach to allocating the Pool's Loss Fund and Package premium will further allow MIST members to control their own destiny and pricing**
 - Expiring debit/credit is 15% for both the Package Premium & Loss Fund
 - Renewal debit/credit is the same 15% debit/credit for Package Premium and Loss Fund



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Allocation Methodology Review

Allocation Methodology



PACKAGE AND LOSS FUND:

- Package and loss fund are allocated by the MIST actuary for current members.
- New members are quoted for the package & loss Fund based on quotes provided by the carrier.

CORRIDOR:

- Allocated based off the following rates for current and new members
 - TIV (property only) - \$.0000124844
 - GL (student count) - \$2.22292

BOILER, EXCESS PROPERTY, POLLUTION

- These lines of coverage are rated on a rate per \$100 of total insured value (TIV) for each member.
- New members are quoted at that same rate.
- The rate is the same for all members.

Allocation Methodology



CYBER LIABILITY

- Individual policies. Premium is designed as a group purchase but each member's premium will vary subject to their individual security protocols and claims.

TPA COSTS – GALLAGHER BASSETT

- All members receive the same % increase or decrease for TPA costs.
- New members are charged in accordance with the per unit claim charge listed in the TPA contract applied to their 5-year average.

LOSS CONTROL

- This service is charged on a flat fee of \$1,200 per visit. Additional units can be purchased.

Allocation Methodology



GALLAGHER ADMINISTRATIVE AND BROKERAGE FEE

- All members receive the same % increase or decrease for administrative/brokerage costs.
- New members are charged on a rate per student.
- The rate is determined by dividing the fee by the current membership student count

OPERATION FEE

- All members receive the same % increase or decrease for operation costs.
- New members are charged for operation costs based on a fixed % applied to their total contribution.
- The percentage is calculated at each renewal by dividing the operation cost into the total program contribution.



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Loss Control Presentation

Jonathan Wilson , GB Senior Loss Control Consultant

Gallagher Bassett Loss Control Services Recap



- 25 in person loss prevention visits have been delivered since September 2023.
- 1 remaining visit is currently scheduled for June.
- Continued emphasis on vocational, science, and athletic program safety.
- Review of newly built structures, barns, sheds, garages, etc.
- Newest point of discussion is the use of drones throughout various departments of the schools including: Photography, science, athletics, band.
- Gallagher Bassett can provide training resources on the topic if desired.

Common Property hazard survey recommendations



- Combustible dust preventative maintenance
- Vocational machine guarding concerns
- Vocational program protective equipment use
- Drama scene shop construction and student safety
- Science chemical labeling and storage
- School security concerns (Unlatched doors, damaged or misadjusted closures)









New trend development within the MIST

- Fleet related losses have continued to rise each year within the program.
- For Minnesota, distracted driving and wildlife related collisions have trended upward.
- The spread of losses are diverse and do not have a consistent pattern.
- Prevention of losses should start with a procedural evaluation of each District.

Fleet Loss Prevention



- Gallagher Bassett will include a fleet assessment questionnaire with each visit in 2024-2025.
- Questions will focus on best practices to reduce the likelihood of future fleet trends.
- The assessment data will be compiled to determine if the Program as a whole could benefit from MIST specific training or program development.



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Other Matters

MIST Executive Board Elections

Motion Required



1. **Sarah Slaby:** Winona Area Public Schools
Returning Board Member
2. **Kent Fritze:** Park Rapids Area Schools
Returning Board Member
3. **Mike Kelley** – Randolph Area Public Schools
Returning Board Member
4. * 2 Vacant board seats

Future MIST Meeting Dates



MIST Full Membership Mid-Year Meeting

December 17th , 2024

10:00 am TEAMS





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Adjournment Motion Required

Thank you!