



Minnesota Insurance Scholastic Trust

MIST Full Membership Renewal Meeting

May 13, 2025



Minnesota Insurance Scholastic Trust

Introduction & Welcome



Minnesota Insurance Scholastic Trust

Roll Call

Today's Agenda



- I. **Introduction and Welcome** (*Kent Fritze*)
- II. **Roll Call**
- III. **Approval of the Agenda** → motion required
- IV. **Public Comments**
- V. **Approval of Meeting Minutes (December 16, 2024)** → motion required
- VI. **Chairperson's Report** (*Kent Fritze*)
- VII. **Treasurer's Report for March 31, 2025** (*Lisa Johnson - Artex*)
- VIII. **Claims Administration Presentation** (*Gallagher Bassett – Emily Wells, Michael Grasso*)
- IX. **Program Administrator's Report** (*Gallagher/RPA team*)
 - I. Administrator's report
 - II. State of the Insurance Market Update
 - III. Program Administrator's Annual Renewal Presentation
 - I. Higher Cyber Limits Available
- X. **Other Matters**
 - I. Executive Committee Election – 1 Open Positions → motion required
 - I. Kim Sandry – Returning Board Member
 - II. One Vacant Position
 - II. TEAM Platform Overview (*Wesley Ahrens*)
- XI. **Future Meeting Date:**
 - I. Midterm Review – December 16th, 2025 – Virtual via Teams
- XII. **Adjournment** → motion required



Minnesota Insurance Scholastic Trust

Approval of the Agenda **Motion Required**



Minnesota Insurance Scholastic Trust

Public Comment



Minnesota Insurance Scholastic Trust

Approval of the Meeting Minutes – December 16, 2024

Motion Required



Minnesota Insurance Scholastic Trust

Chairperson's Report

MIST Chairperson: Kent Fritze, Park Rapids Area Schools

Chairperson Report

What MIST is about



- MIST is Member-Owned & Operated, every members gets a **vote**.
- MIST does **not** drop members, we help them.
- Net Position from 3/31/25 = **\$4,030,121** (→ **steady & healthy growth**)
- Program is **100% transparent**, all financials, rates, fees and commissions are disclosed to all members.
- All MIST Members continues to enjoy **comprehensive Cyber Limits with optional additional**
- Comprehensive **loss control** services – TEAM Online Platform, GB risk consultations
- MIST provides members surplus distributions **\$375,703** to date

MIST's 12th year of service to Minnesota Schools!

Your MIST Executive Committee



MIST Position	Name	Member District
MIST Chairperson	Kent Fritze	Park Rapids Area Schools
Vice Chairperson	Kim Sandry	MACCRAY Public School District
Treasurer	Mike Kelley	Randolph School District
Board Member	Sarah Slaby	Winona Area Public Schools
Board Member	Kara Lundin	Grand Rapids School District
Board Member	Mert Woodard	Edina School District



Minnesota Insurance Scholastic Trust

Treasurer's Report

LISA JOHNSON - ARTEX

Statement of Net Position

As of March 31, 2025



	<u>March 31, 2025</u>	<u>June 30, 2024</u>
Assets		
Cash	\$ 6,742,840	\$ 3,978,290
Contributions Receivable	622	-
Excess Insurance Recoveries Receivable	72,290	53,592
Deductible Receivable	246,318	131,333
Aggregate Excess Receivable	87,413	13,847
Other Receivables	-	1,063,017
Total Assets	<u>\$ 7,149,484</u>	<u>\$ 5,240,079</u>
Liabilities and Net Position		
Liabilities		
Accounts Payable and Other Accrued Expenses	\$ 1,567	\$ 69,581
Prepaid Premium, Members	-	1,063,017
Reserve for Outstanding Losses	1,830,797	1,352,090
Reserve for IBNR Losses	1,286,999	929,490
Total Liabilities	<u>\$ 3,119,363</u>	<u>\$ 3,414,177</u>
Net Position		
Retained Loss Fund FY 16-17	-	-
Retained Loss Fund FY 17-18	262,227	262,227
Retained Loss Fund FY 18-19	66,447	35,289
Retained Loss Fund FY 19-20	41,292	41,292
Retained Loss Fund FY 20-21	653,462	864,249
Retained Loss Fund FY 21-22	-	-
Retained Loss Fund FY 22-23	159,036	76,502
Retained Loss Fund FY 23-24	270,214	-
Retained Loss Fund FY 24-25	1,488,034	-
Corridor Fund FY 24-25	301,587	-
Contingency Fund	524,449	524,449
Unallocated Surplus	263,373	21,896
Total Net Position	<u>\$ 4,030,121</u>	<u>\$ 1,825,902</u>
Total Liabilities and Net Position	<u>\$ 7,149,484</u>	<u>\$ 5,240,079</u>

The financial information contained in this report was prepared by Artex Risk Solutions, Inc. in its capacity as administrator of MIST. The information contained in this report is solely for the information and use by the management of MIST and is not intended to be used, and should not be used, by any other party.

Statement of Revenues, Expenses and Changes in Net Position

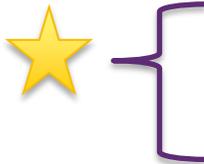


	Year-to-Date July 1, 2024 - March 31, 2025	Prior Year July 1, 2023 - June 30, 2024	Budget for 7/1/2024 - 6/30/2025	
			Total, Including New Members	Actual YTD Over/(Under)
Operating Revenues				
Premium Contributions	6,790,581	6,853,952	6,772,914	17,667
Broker and Pool Management Contributions	574,797	534,184	574,797	-
Loss Fund Contributions	2,896,416	2,125,000	2,896,416	-
Corridor Contributions	301,587	-	301,587	-
Operating Fund Contributions	78,303	100,123	78,303	0
Total Contributions	10,641,684	9,613,259	10,624,017	17,667
Premiums to Excess Insurance Carriers	6,790,606	6,853,952	6,772,914	17,692
Net Operating Revenues	3,851,078	2,759,307	3,851,103	(25)
Operating Expenses				
Incurred Losses				
Loss Fund Incurred Losses				
Paid Losses	776,353	1,888,122	2,896,416	(2,120,063)
Change in Case Reserves	478,707	391,356	-	478,707
Change in IBNR	357,510	479,681	-	357,510
Deductible Reimbursement	(114,985)	(147,247)	-	(114,985)
Excess Insurance Reimbursement	(97,978)	(286,876)	-	(97,978)
Excess Aggregate Reimbursement	(101,710)	(149,077)	-	(101,710)
Subrogation Recoveries	(58,762)	-	-	(58,762)
Other Recoveries	(3,874)	(47,822)	-	(3,874)
Net Loss Fund Losses and Loss Expense	1,235,261	2,128,137	2,896,416	(1,661,155)
Corridor Incurred Losses				
Paid Losses	-	-	301,587	(301,587)
Change in Case Reserves	-	-	-	-
Change in IBNR	-	-	-	-
Net Corridor Incurred Losses	-	-	301,587	(301,587)
Total Net Losses and Loss Expense	1,235,261	2,128,137	3,198,003	(1,962,742)
Broker and Pool Management Fees				
Management Fees	375,221	349,783	375,207	14
Claims Processing	123,809	154,161	164,770	(40,961)
Loss Control Fees	34,800	30,240	34,820	(20)
Total Cost of Broker and Pool Management Fees	533,830	534,184	574,797	(40,967)

Statement of Revenues, Expenses and Changes in Net Position



	Year-to-Date July 1, 2024 - March 31, 2025	Prior Year July 1, 2023 - June 30, 2024	Budget for 7/1/2024 - 6/30/2025	
			Total, Including New Members	Actual YTD Over/(Under)
Total Operating Expenses	<u>1,834,144</u>	<u>2,755,773</u>	<u>3,849,962</u>	<u>(2,015,818)</u>
Operating Income	<u>2,016,934</u>	<u>3,535</u>	<u>1,141</u>	<u>2,015,793</u>
Interest Income	<u>187,285</u>	<u>131,466</u>	<u>-</u>	<u>187,285</u>
Change in Net Position Before Member Dividends	<u>2,204,219</u>	<u>135,001</u>	<u>1,141</u>	<u>2,203,078</u>
Member Dividends	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Change in Net Position	<u>\$ 2,204,219</u>	<u>\$ 135,001</u>	<u>\$ 1,141</u>	<u>\$ 2,033,485</u>
Net Position - Beginning	<u>1,825,902</u>	<u>1,690,901</u>	<u>1,825,902</u>	
Net Position - Ending	<u>\$ 4,030,121</u>	<u>\$ 1,825,902</u>	<u>\$ 1,827,043</u>	



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\$2,204,219
Net Position Increase

\$4,030,121
Net Position



Minnesota Insurance Scholastic Trust

Gallagher Bassett TPA - Claims Report

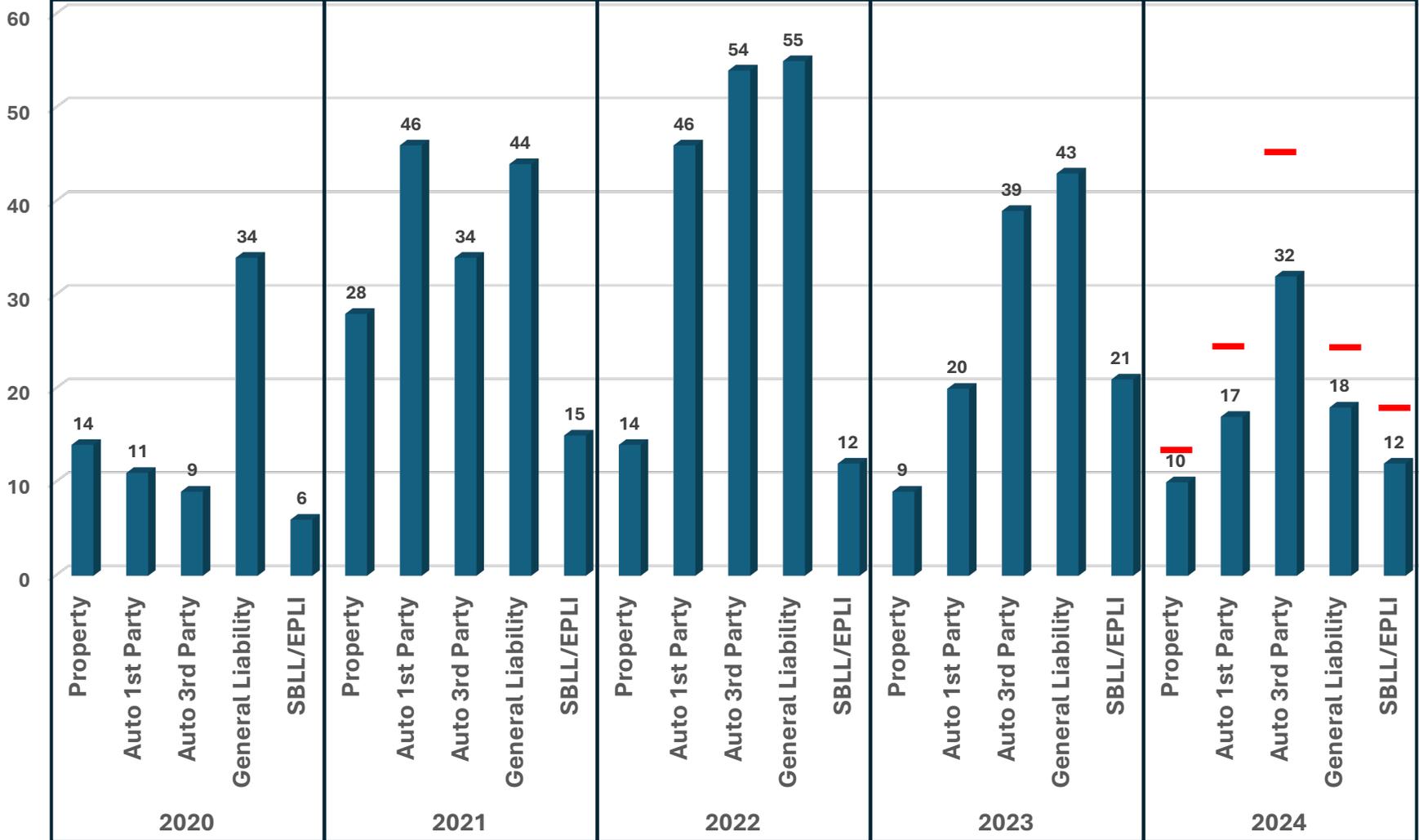
EMILY WELLS, MICHAEL GRASSO - GALLAGHER BASSETT

Topics to Be Covered

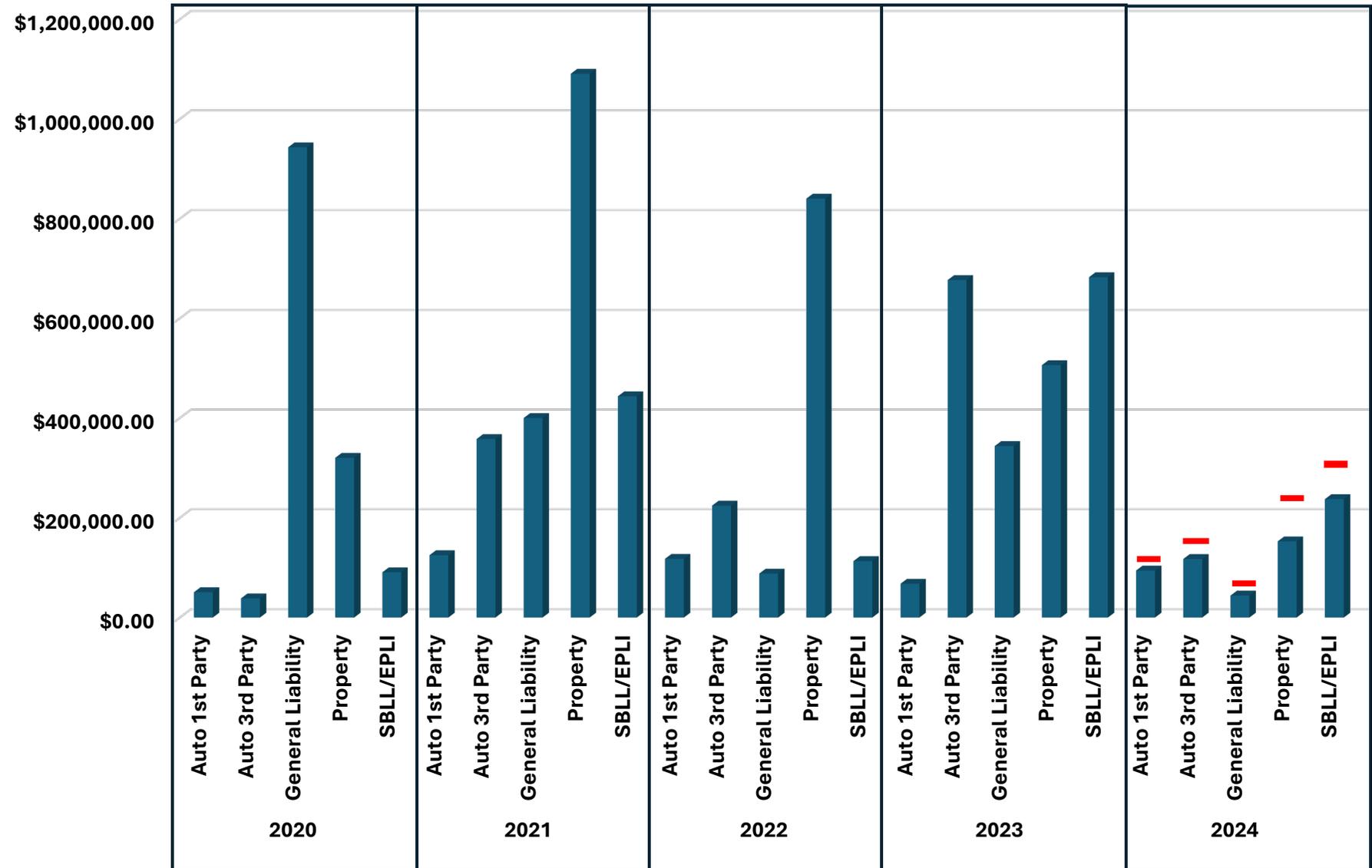
- Introductions
- Claims Data Highlights
- Renewal Discussion
- Nurse Triage Review
- Team Updates



5-Year Claim Frequency



5-Year Claim Severity



5-Year Top Types of Claims

Auto - 77% involve busses; 23% involve other vehicle type

Liability

Liability Claim Type	# of Claims	Average Cost per Claim
Slip/Trip/Fall	93	\$ 6,193
Student injury	53	\$ 1,091
Alleged Discrimination-student	21	\$ 25,382
Alleged Discrimination-employee	19	\$ 34,188
Property Damage	17	\$ 2,413

Property

Property Claim Source	# of Claims	Average Cost per Claim
Sprinkler Leak/Pipe Burst/Water Backup	24	\$ 46,596
Vehicle damage	24	\$ 3,498
Windstorm	16	\$ 37,256
Fire	9	\$ 27,005
Vandalism, Theft-Vehicle	9	\$ 2,855

Liability Nurse Review

KEY BENEFITS OF OUR SOLUTION



Expert Medical Review:

Experienced nurses opine on medical causation, evaluate care appropriateness, and identify pre-existing conditions to analyze damages.



Enhanced Efficiency for RMs:

Our solution delivers comprehensive reports that save RMs significant time and effort, allowing them to focus on developing effective claim strategies and resolutions.



Informed Negotiations:

Our in-depth analysis and clinical insights improve reserve accuracy and timeliness, streamline decision-making, and strengthen negotiating position.



Significant Cost Savings:

Our solution will result in lower expenses and settlement costs by enabling our RMs to effectively negotiate settlements based on the analysis and clinical insights.

RECOMMENDED REFERRAL CRITERIA



Medical Bill Analysis

Comprehensive medical bill analysis and comparison against Usual & Customary (U&C) rates for cases with medical specials or bills greater than \$20,000.

\$150 per package review



Clinical Review

Detailed review of medical bills by clinical nurses applies when demand is greater than \$350,000 and/or medical specials exceed \$100,000. Or there are allegations of:

- Surgery, complications, or prolonged treatment and/or pre-existing conditions
- Wage loss or potential future wage loss
- Serious injuries such as traumatic brain injuries, paralysis, amputation, and/or psychological injuries

\$130 per hour (full cost estimate provided)

GB Claims Team

Client Services

*Emily Wells

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

*Michael Grasso

Sr Client Services Manager
Direct Dial: 765-716-4073
Michael_Grasso@gbtpa.com



School Board Legal Liability

Karleigh Bava

Branch Manager
Direct Dial: 630-282-8546
Karleigh_Bava@gbtpa.com

*Don Geiner

Supervisor
Direct Dial: 248-452-6035
Don_Geiner@gbtpa.com

Doris Chester

SBLL Resolution Manager
Direct Dial: 630-282-0864
Doris_Chester@gbtpa.com

Auto Liability, GL, & Property

Scott Nielsen

Supervisor
Direct Dial: 763-416-8938
Scott_Nielson@gbtpa.com

*Meaghan Haack

Sr. Resolution Manager
Direct Dial: 763-416-8933
Meaghan_Haack@gbtpa.com

Melanie Greening

Sr. Resolution Manager
Direct Dial: 763-416-8943
Melanie_Greening@gbtpa.com

*Cindy Hernandez

Resolution Manager
Direct Dial: 763-416-8933
Cindy_Hernandez@gbtpa.com

*Denotes change

THANK YOU AND HAVE A GREAT SUMMER!



Minnesota Insurance Scholastic Trust

Administrator's Report

JACK KURCAB, SAMUEL DING, NICK LANO

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 – Assistant Program Director	617-678-5360	Samuel_Ding@rpadmin.com
Laura O'Malley – Executive Program Manager	630-228-6717	Laura_OMalley@rpadmin.com
Marissa Hermle – Client Service Manager II	630-285-4252	Marissa_Hermle@rpadmin.com
Katie Navin – Senior Client Service Manager	630-228-6665	Katie_Navin@rpadmin.com



Administrator's Report

January, February, March, April, May 2025

- Coordinated and prepared for Executive Committee meetings
- Reviewed online Questionnaires/Changes and followed up with members regarding outstanding information missing as well as supplemental applications.
- Prepared submissions to markets
- Met with carriers to discuss 2025-2026 targets
- Prepared and submitted renewal requests to carriers 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 2025-2026 Operating Budget
- Negotiated renewal terms and conditions with carriers
- Placed Several Builders Risk Policies for Members
- Presented and coordinated pre-renewal meeting with MIST Executive Committee
- 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
- Settlement notification sent out regarding claims meetings
- Secured vendor renewal contracts for 2025
- Worked with program attorney to create a Minnesota Wrongful hiring/firing guidebook
- Organize TEAM platform walkthrough and video with Ambridge TEAMS platform
- Sent out claims mouse pads to membership
- Processed change endorsements
- Continue working with potential new member additions



Our Business Partners



Pool Administration & Brokerage

Gallagher
Insurance | Risk Management | Consulting

RPA
RISK PROGRAM ADMINISTRATORS

Online Loss Control

TEAM Platform
Train • Educate • And • Manage

Local Agent Presence

Gallagher
Insurance | Risk Management | Consulting

Property Appraisal Services

Pool Legal Counsel

M.I.S.T.
Minnesota
Insurance
Scholastic
Trust

**MIST
Executive Committee**
(comprised of 6 MIST districts)

Claims Administration & Onsite Loss Control

**GALLAGHER
BASSETT**
GUIDE. GUARD. GO BEYOND.

Cyber Resources & CybSafe

Pool Treasurer

Pool Auditor

**MATHIESON
MOYSKI-AUSTIN
& Co., LLP**
Accountants and Advisors

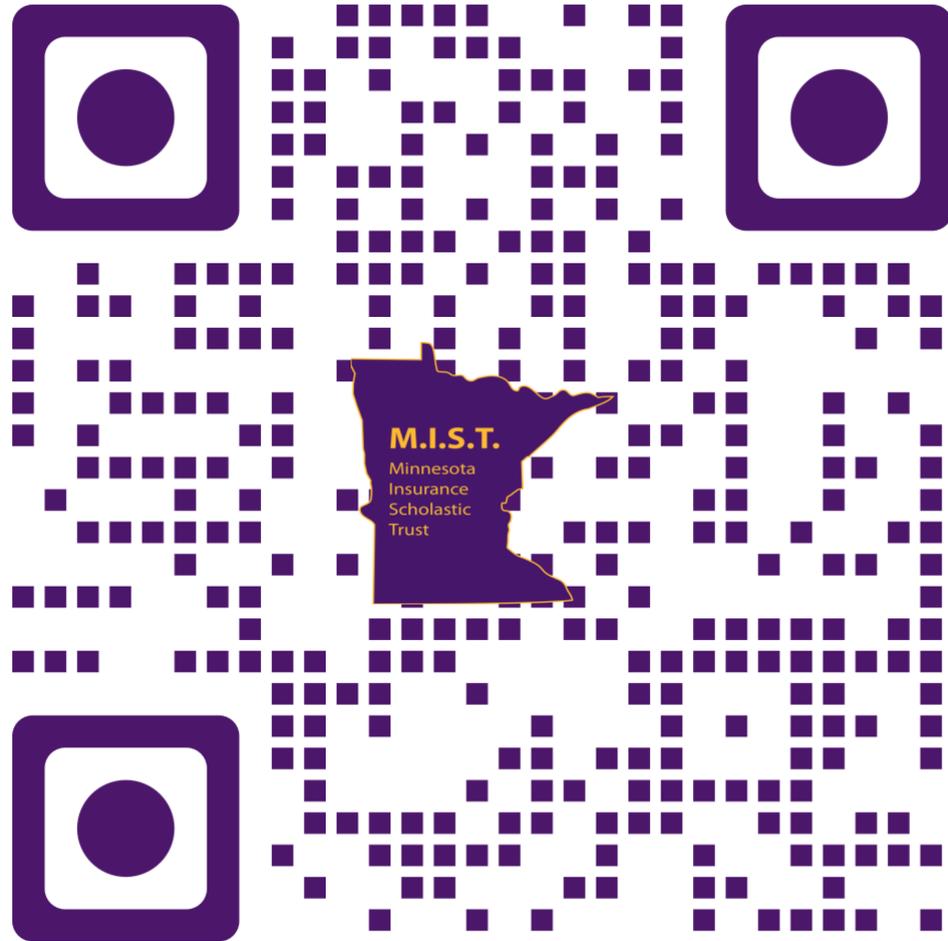
Advantages of MIST



- Program Stability
- Growth and Retention of Surplus
- Greater Purchasing Power & Market Leverage
- Claims Expertise
- Proactive Loss Control

- Expert Team and Partners
 - GB- Dedicated Claims Adjusters
 - NRC- Claim Advocacy
 - GB- Loss Control Experts
- Value Added Resources
 - CFC Cyber Resources (Optional Limits)
 - TEAM Module Trainings
 - Program Partners (CBIZ Appraisal)
 - Expertise in K-12 Education
- Member Communication and Education
 - Individual District Meetings
 - Educational Whitepaper & Resources
 - Wrongful Hiring/Firing Guidebook
- Access to Cutting Edge Technology & Innovations
 - MIST Claims Directory
 - RiskPartner
 - Actuarial Analytics

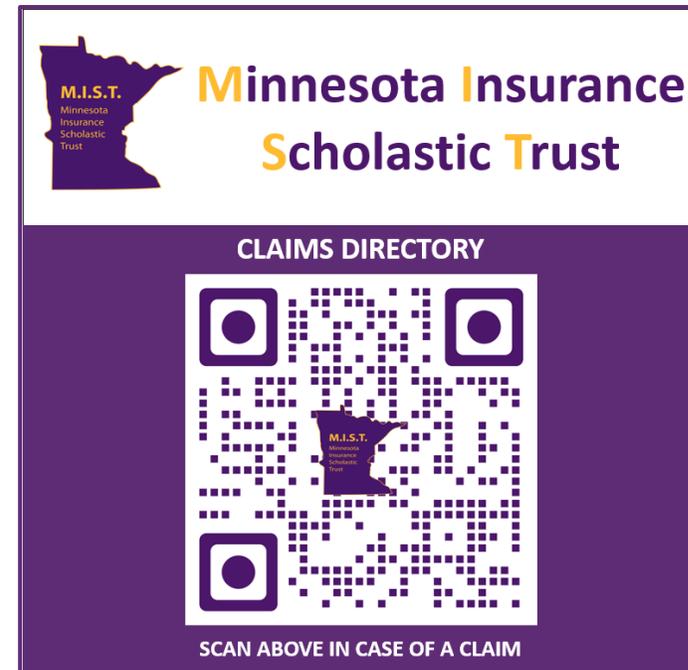
MIST Claims Directory



What does it do?

- Provides **easy guidance** when it comes to **MIST's** claims reporting processes.
- Making the claims process **easier** and more **accessible** during emergency times.
- Reliable during **Cyber attacks**

! These have been shipped to your locations on file!





Minnesota Insurance Scholastic Trust

2025 – 2026 Exposure Update

JACK KURCAB, NICK LANO, SAMUEL DING

Minnesota Insurance Scholastic Trust

Renewal Statistics - Annualized



	2024-2025	2025-2026	% Change
Members	28	28	0%
Total Insured Values	7,609,534,250	8,057,791,789	5.9%
Student Count	92,278	91,862	(0.5%)
Vehicle Count	747	752	0.7%



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

MIST Membership



ACGC Public Schools
Albert Lea
Austin Public Schools
Belle Plaine Public Schools
Breckenridge Public Schools
Eastern Carver County Schools
Edina Public Schools
Elk River Area School District
Fillmore Central School District
Floodwood School District
Grand Rapids
Greenway Public Schools
Hastings Public Schools
LeRoy-Ostrander Public Schools
LeSueur-Henderson Public Schools
MACCRAY Public School District
Maple Lake Public Schools
New London Spicer Schools
New Prague Area Schools
Park Rapids Area Schools
Randolph School District
South St. Paul
SouthWest Metro
St Louis Park Public Schools
Waconia Independent School District
Watertown-Mayer Public School
White Bear Lake
Winona Area Public Schools

MIST Net Position

As of 3/31/2025



+\$2,204,219

Retained Carrier Profit





Minnesota Insurance Scholastic Trust

State of the Marketplace Update

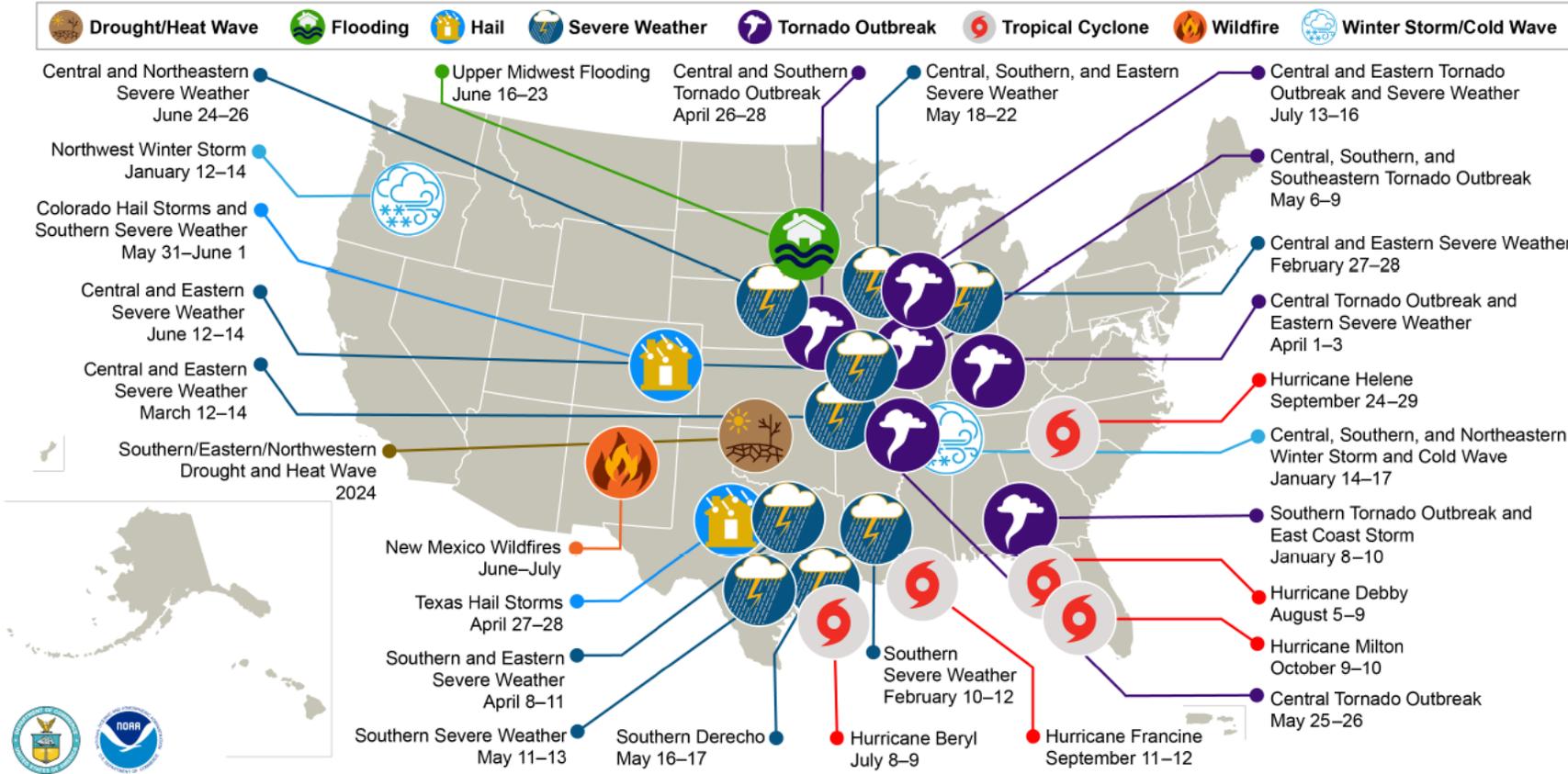
State of the Marketplace



Property is starting to show signs of stabilization for “clean” risks

- **Catastrophic losses** disrupts market capacity and underwriting guidelines
 - **CA Wildfires** leads to **\$280B** in economical loss
- **Severe Convective Storm** → No.1 loss leader in the US
- Push for higher **wind/hail deductible** continues in Minnesota
- Marketplace remains **limited** for public entities to obtain capacity
- Risk with losses still seeing **double digit** increases
- Scrutiny in values continues – importance of **proper valuations**
- Ongoing uncertainty with **impacts of Tariffs**

2024 US Billion Dollar Weather & Climate Events



This map denotes the approximate location for each of the 27 separate billion-dollar weather and climate disasters that impacted the United States in 2024

17 SCS | 1 Drought

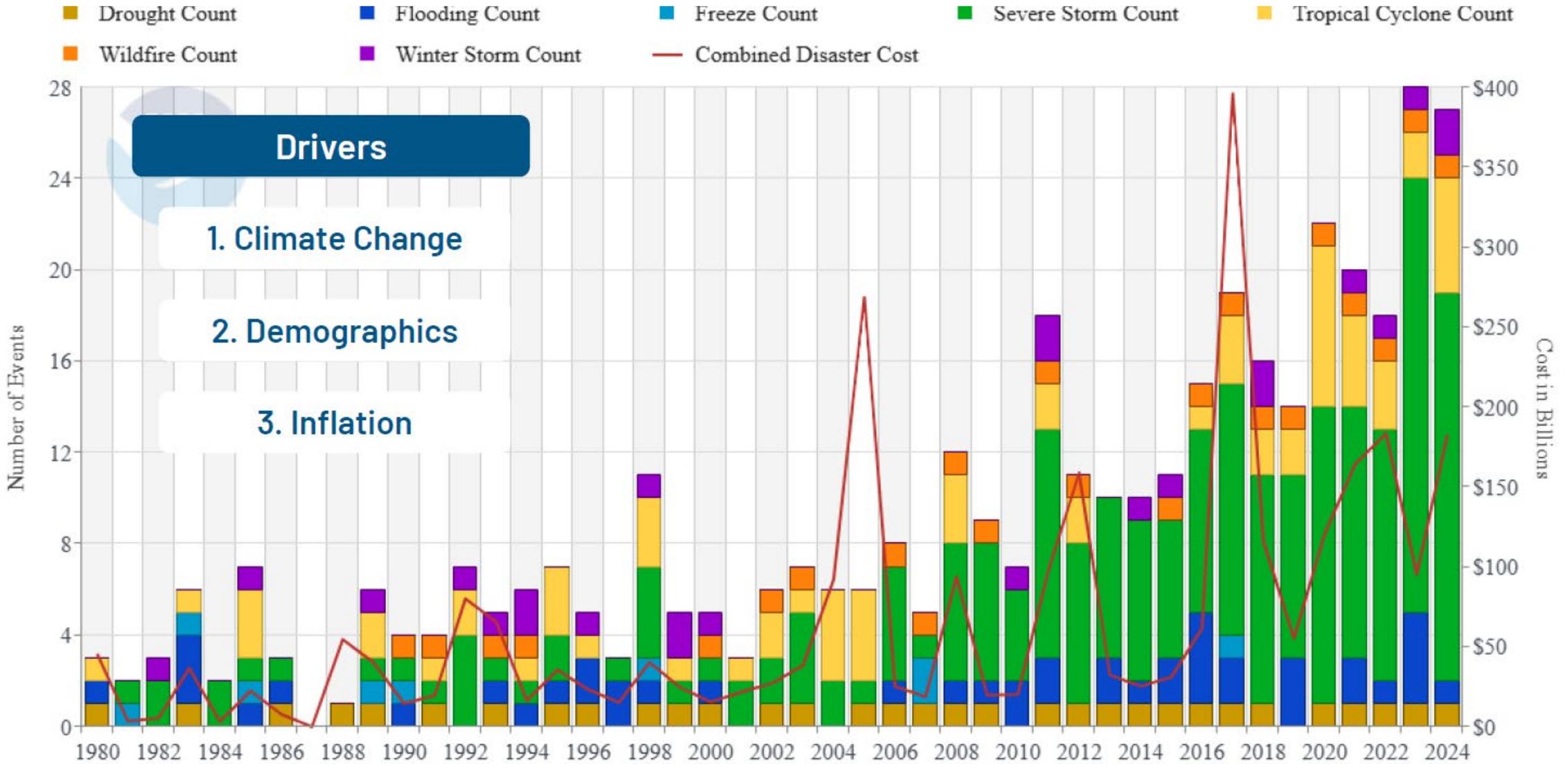
5 Hurricane/Typhoon

1 Wildfire | 1 Flooding

2 Winter Storm

568 Deaths

Source: <https://www.noaa.gov/access/billions>

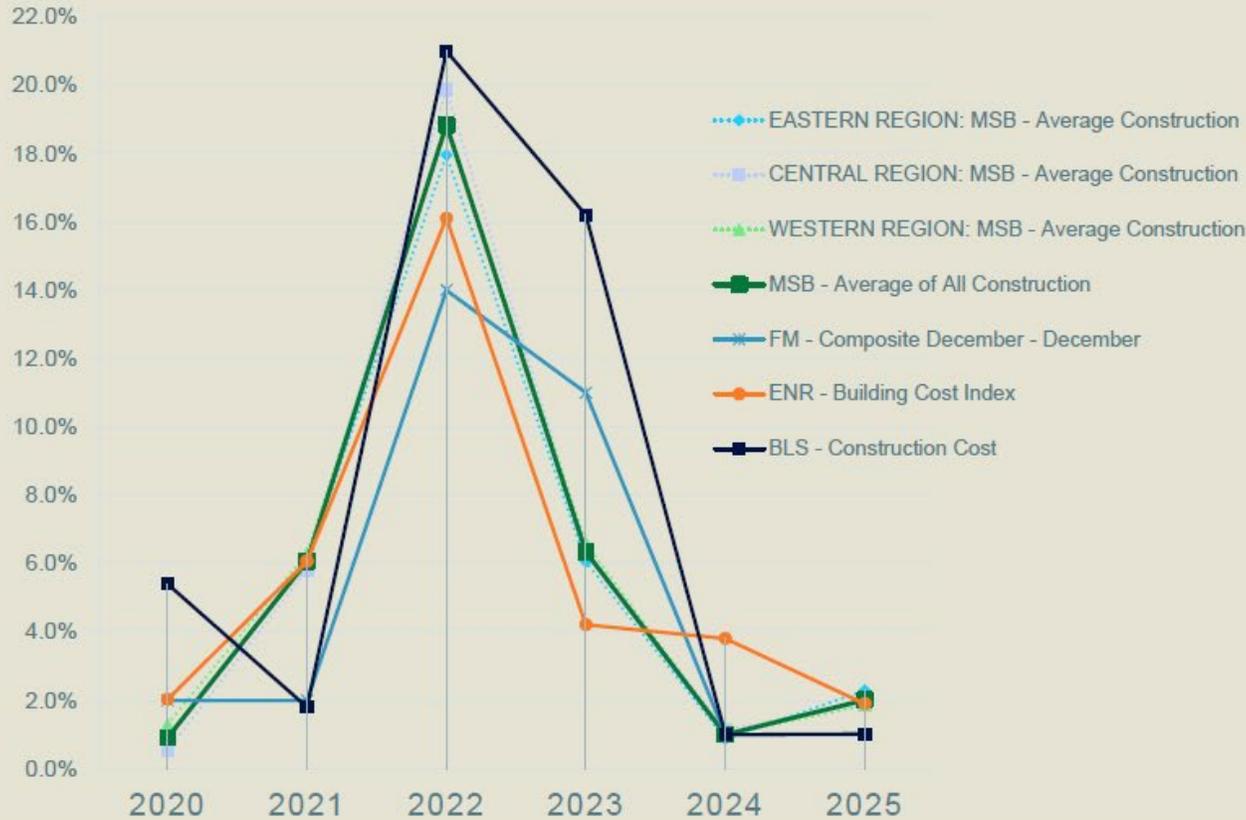


CBIZ Construction Cost Trends

April 2025



Construction Cost Trends
April Yearly



2025 Construction Cost Trends

BLS: Construction Cost
1.0%

ENR: Building Cost Index
1.9%

FM: Composite
December - December
1.0%

MSB: Average of all
Construction
2.0%

By Region

Eastern 2.3% | Central 1.9% | Western 1.9%

State of the Marketplace Continued



Casualty market becomes the **NEW** hard market

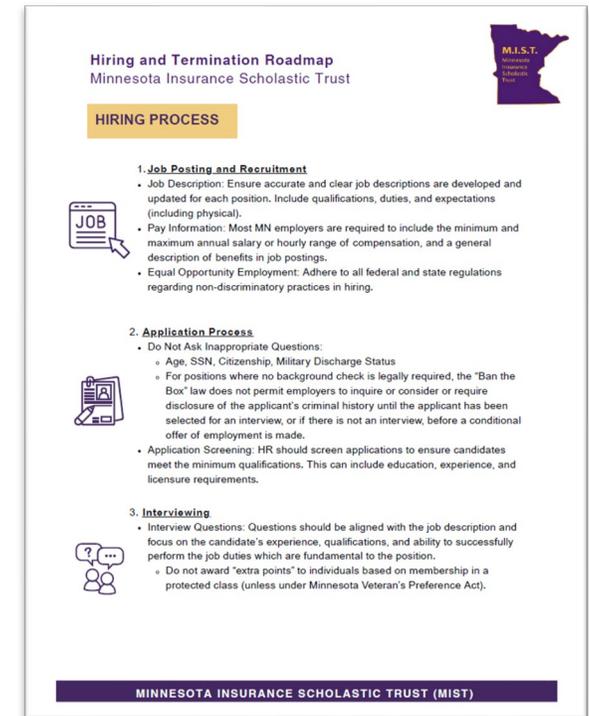
- **Nuclear Verdicts** → Re-evaluation of carrier approach and underwriting guideline
- Market capacity → **Decrease in supply while increase in demand**
- Litigious Culture and Attorney advertising → **Increased litigation and settlement amount**
- Frequency and severity of **auto** claim continues
- **Sexual abuse** remains the most important exposure in the educational industry
- **Cat losses** continue to drive the need for rate (ex abuse, drowning, sports related injuries, vehicle accidents)

Cyber market softens as more carrier players lead to **abundant capacity**

- Public entity remain highly **lucrative** for all cyberattacks
- **Highest market uncertainty** with change unpredictability → can become highly volatile over night
- AI and technological advances is a **double-edge sword**

Best Practices to Protect Against Liability

1. **Develop** Clear Policies and Procedures
2. **Implement** Safety and Training Program
3. **Conduct** Thorough Background Checks
 - MIST Wrongful Hiring/Firing Guidebook
4. **Establish** Reporting Mechanism
5. **Provide** Support Services
6. **Respond** Promptly to Allegations
7. **Review** Regularly and Update Policies



Hiring and Termination Roadmap
Minnesota Insurance Scholastic Trust

HIRING PROCESS

- 1. Job Posting and Recruitment**
 - Job Description: Ensure accurate and clear job descriptions are developed and updated for each position. Include qualifications, duties, and expectations (including physical).
 - Pay Information: Most MN employers are required to include the minimum and maximum annual salary or hourly range of compensation, and a general description of benefits in job postings.
 - Equal Opportunity Employment: Adhere to all federal and state regulations regarding non-discriminatory practices in hiring.
- 2. Application Process**
 - Do Not Ask Inappropriate Questions:
 - Age, SSN, Citizenship, Military Discharge Status
 - For positions where no background check is legally required, the "Ban the Box" law does not permit employers to inquire or consider or require disclosure of the applicant's criminal history until the applicant has been selected for an interview, or if there is not an interview, before a conditional offer of employment is made.
 - Application Screening: HR should screen applications to ensure candidates meet the minimum qualifications. This can include education, experience, and licensure requirements.
- 3. Interviewing**
 - Interview Questions: Questions should be aligned with the job description and focus on the candidate's experience, qualifications, and ability to successfully perform the job duties which are fundamental to the position.
 - Do not award "extra points" to individuals based on membership in a protected class (unless under Minnesota Veteran's Preference Act).

MINNESOTA INSURANCE SCHOLASTIC TRUST (MIST)

Take advantage of resources offered by your MIST program



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 - **\$895,000** (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 - **\$1,705,161**
- Hail damage to building - **\$2,149,258**
- Leaking roof caused damage to gym floor - **\$282,467**
- Copy rights violation - **\$321,550**
- Sexual Abuse - **\$320,000**
- Sexual Relation with an Athlete - **\$535,807**

2020

- Inappropriate sexual relationship with Coach - **\$535,807**
- Burst pipes caused damage to the wrestling room - **\$320,000**

2021

- Water line broke causing damage to wrestling room and gym floor – **\$343,283**
- Wind damage to roof - **\$202,716**
- Discrimination - **\$260,000**

2022

- Contractor cut hole and rain damaged gym floor - **\$241,500**
- Back-up from storm damaged gym floor - **\$222,583**

2023

- Damage from severe weather - **\$655,000**
- 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 - **\$295,027**
- Discrimination - **\$210,000**





Minnesota Insurance Scholastic Trust

2025-2026 MIST Renewal

Package Renewal

Lloyds of London / Ambridge



Package	2024-2025 Annualized	2025-2026	% 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	
Aggregate Stop Loss	\$2,000,000	\$2,000,000	
•Total Package Premium (excl T/F)	\$1,993,841	\$2,249,046	12.80%
•Total Loss Fund	\$2,873,526	\$3,300,000	14.80%
•Corridor	\$300,000	\$300,000	
Total including Taxes / Fee / Corridor	\$5,229,837	\$5,919,445	13.19%

Property & SBL Tiered Deductible (same as expiring)	
TIV	Deductible
Under 100M	\$10,000(Property) / \$10,000 (SBL)
101-450M	\$25,000(Property) / \$25,000 (SBL)
451M & above	\$50,000(Property) / \$30,000 (SBL)

+5.9% in TIV

Excess Property Renewal Premium



Travelers Insurance Company	2024-2025	2025-2026	% Change
Loss Limit	\$200,000,000	\$200,000,000	
Total Insured Value	\$7,609,534,250	\$8,057,791,786	+5.9%
Wind/Hail Deductible	<i>No Special Wind/Hail</i>	<i>No Special Wind/Hail</i>	
Total Premium excluding Taxes	\$3,615,249	\$4,074,713	12.7%
Rate/100 <i>excluding taxes</i>	\$0.048	\$0.051	6.4%
Total Premium with Taxes and Fees	\$3,725,862	\$4,198,584	12.7%

Sublimit Enhancements:

- Debris Removal – increase from \$500k to \$2M
- Geothermal Piping – added for \$6M
- Synthetic Turf – increase from \$5M to \$6,050,000

MIST Property/Casualty Renewal

Premium Summary



Coverage	2024-2025	2025-2026	% Change
Package with Taxes & Fees	\$2,056,311	\$2,319,445	12.8%
Excess Property	\$3,725,862	\$4,198,584	12.71%
Boiler and Machinery	\$193,714	\$205,290	6.0%
Pollution Liability	\$149,914	\$163,039	8.8%
Cyber Liability	\$606,552	\$581,882	-4.1%
RPA/Gallagher Fee	\$372,351	\$387,245	4.0%
Operating Fee	\$77,980	\$79,828	2.4%
TPA Fee	\$160,787	\$145,484	-9.5%
Loss Control	\$33,600	\$33,600	0.0%
Total Fixed Costs	\$7,377,071	\$8,114,397	10%
Variable Costs:			
Corridor	\$300,000	\$300,000	0.0%
Loss Fund	\$2,873,526	\$3,300,000	14.84%
Total with Taxes and Fees	\$10,549,859	\$11,714,397	11.04%

Overall Increase = 11.04%
Exposure Increase = 5.9%

**Premiums include taxes and fees, where applicable*

2025-2026 Program Structure



Travelers Insurance Co								Lloyds of London / Ambridge \$2,000,000 Excess of Loss Fund Protection
Excess Property \$200,000,000 Per Occurrence								
Lloyds of London / Ambridge \$750,000 Per Occurrence	Lloyds of London / Ambridge	Pool Loss Fund: Varies if new members are added						
	\$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District	\$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District	\$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District	\$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District	\$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District	\$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District	\$4,000,000 per Occurrence / \$8,000,000 Annual Aggregate Per District	
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 \$250,000 Per Occurrence	
Maintenance Deductible between \$10k and \$50K depending on TIV Except APD: \$1,000	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	

MIST First Dollar / Traditional Policies



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

MIST Additional Cyber Limit Available

Program Cyber Renewal = **-4.1%**

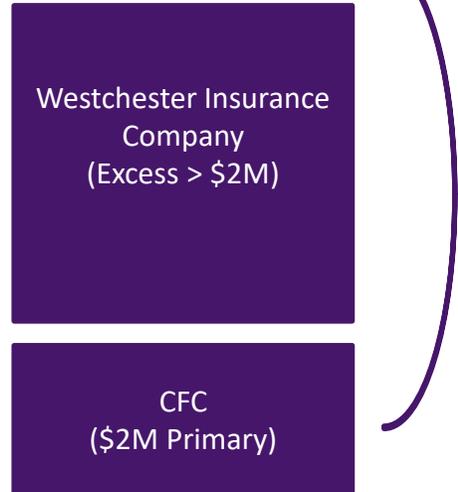
- Why We Recommend Higher Limits:**
- ✓ Attack rates on K-12 Education have declined, however recovery costs have more than doubled
 - ✓ K-12 Mean Cost to Recover from a Ransomware Attack in 2023 - \$1.59M / K-12 Mean Cost to Recover from a Ransomware Attack in 2024 - \$3.76M
 - ✓ 95% of Ransomware Attacks to Educational organizations this past year involved an attempt to compromise backups with a 71% success rate
 - ✓ 85% of K-12 Ransomware Attacks resulted in Data Encryption prompting 62% of entities to pay the ransom

Current: \$2M total limit per member

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

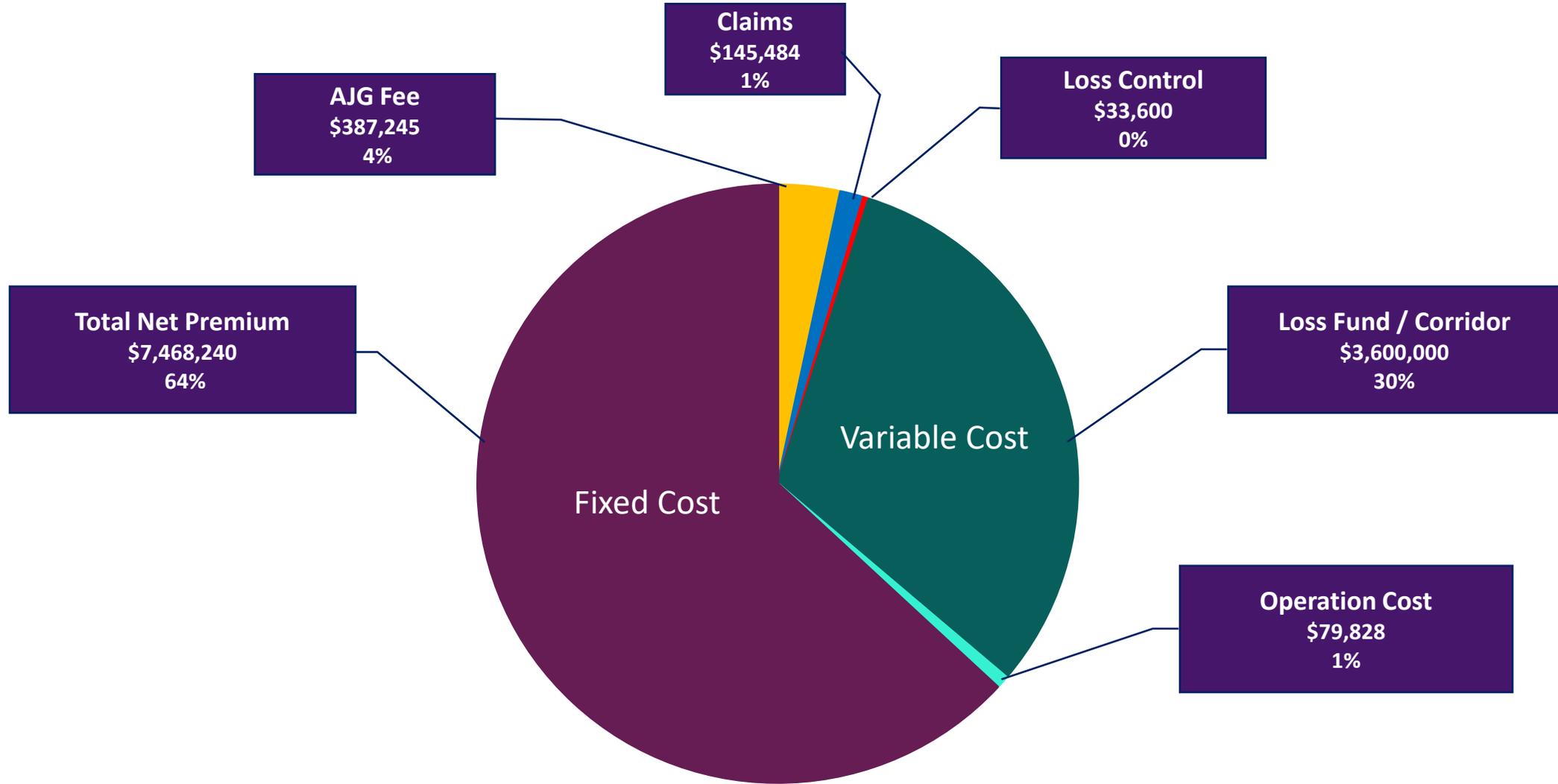
Additional Option 2: \$2M xs \$2M = \$4M total limit

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



Please check your individual proposal for pricing options

Fixed vs Variable Cost



■ AJG Fee
 ■ Claims
 ■ Loss Control
 ■ Loss Fund/Corridor
 ■ Operation Costs
 ■ Total Net Premium

30% Variable 70% Fixed

Excludes taxes and fees



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Actuary 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:

7/1/19-20, 7/1/20-21, 7/1/21-22, 7/1/2022-23, 7/1/2023-24 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

Renewal debit / credit remains 15% for both Package Premium & Loss Fund



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Allocation Methodology Review

Review of 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 rates provided by the carrier.

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.

Review of 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.

Review of 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.

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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Other Matters

MIST Wrongful Hiring/Firing Guidebook



Hiring and Termination Roadmap

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HIRING PROCESS

- 1. Job Posting and Recruitment**
 - Job Description: Ensure accurate and clear job descriptions are developed and updated for each position. Include qualifications, duties, and expectations (including physical).
 - Pay Information: Most MN employers are required to include the minimum and maximum annual salary or hourly range of compensation, and a general description of benefits in job postings.
 - Equal Opportunity Employment: Adhere to all federal and state regulations regarding non-discriminatory practices in hiring.
- 2. Application Process**
 - Do Not Ask Inappropriate Questions:
 - Age, SSN, Citizenship, Military Discharge Status
 - For positions where no background check is legally required, the "Ban the Box" law does not permit employers to inquire or consider or require disclosure of the applicant's criminal history until the applicant has been selected for an interview, or if there is not an interview, before a conditional offer of employment is made.
 - Application Screening: HR should screen applications to ensure candidates meet the minimum qualifications. This can include education, experience, and licensure requirements.
- 3. Interviewing**
 - Interview Questions: Questions should be aligned with the job description and focus on the candidate's experience, qualifications, and ability to successfully perform the job duties which are fundamental to the position.
 - Do not award "extra points" to individuals based on membership in a protected class (unless under Minnesota Veteran's Preference Act).

MINNESOTA INSURANCE SCHOLASTIC TRUST (MIST)

Guidebook includes:

- Hiring and termination road map
- Application of Federal & State Laws
- Guidance Check list for Hiring
- Guidance Check list for Firing
- Guidance Check list for Post-Termination

Hiring and Termination Roadmap

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DISCIPLINE & TERMINATION ROADMAP

- 1. Performance Management.** Document, Document, Document! It is important to document any employee performance management concerns. In the event a disciplinary or termination decision is challenged, you want to be prepared with documented evidence for the decision.
 - Performance reviews should be honest, but there should also not be surprises. Employees should already know generally how they are performing.
 - Teacher performance and peer review process must generally follow Union CBA and Minnesota statute.
 - Probationary teachers must receive an initial evaluation within their first 90 days, and three times per year during the probationary period.
 - Involuntary termination should generally not be a surprise. Employees should know if they are not meeting expectations.
 - Consult Union CBA requirements before making disciplinary decisions for unionized employees. There may be a progressive discipline process.
- 2. Involuntary Termination**
 - Teacher Dismissal During Contract Year (Licensed Staff): Dismissal of a "tenured" teacher (under a continuing contract) requires notice of dismissal, a statement of charges, and a hearing before the school board or an arbitrator depending on the circumstances. (Minnesota Statute 122A.40).
 - The school board may terminate a teaching during the probationary period for cause, after a hearing held upon due notice.
 - Contract non-renewal:
 - Tenured/Continuing Contract Teachers: a continuing contract may be terminated at the close of the school year if the teacher fails to correct the deficiency after being given written notice of the specific reasons and a reasonable time within which to remedy them in the following circumstances:
 - Inefficiency in teaching or in management of a school;
 - Neglect of duty or persistent violation of school laws, rules, regulations, or directives;

MINNESOTA INSURANCE SCHOLASTIC TRUST (MIST)

Guidebook will be distributed to membership after meeting

MIST Executive Board Elections

Motion Required



1. Kim Sandry – MACCRAY Public Schools

- Returning Board Member
- Term: 6/30/2025 to 6/30/2028

2. One vacant board seat



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TEAMS Platform Walkthrough

TEAMS Platform: Wesley Ahrens

Key Meeting Takeaways



- Property market is showing signs of softening. Casualty rapidly hardening with Cyber softening despite uncertainties.
- **No Wind/Hail deductibles for MIST, overall renewal within budget prediction**
- Corridor deductible continue to see success and pay off for renewal term negotiations
- No change to SIR or member deductibles
- **\$4,030,121 Net Position**
 - MIST was structure to pay catastrophic losses, retain underwriting profit for predictable risks
- Pools have flexibility during a “hard market” – Bring stability to marketplace change
- **Coverage enhancement available - Higher Cyber Limits (\$3M, \$4M, \$5M)**
- **MIST is YOUR program, continue our collective power and refer MIST to a friend**

Important Reminders



Sexual Abuse/Molestation:

- Report any and all incidents to MIST within 180 days of first knowledge – even if on a report only basis
- Ensure proper procedure and guidance at district with consistent training to staff

Upcoming building project?

- **Contact MIST for your Builder's Risk Policy**
- For large project (\$75M+), please engage MIST prior to engaging with a contractor, architect or project manager

Utilize and Cooperate with MIST Loss Control:

- MIST Wrongful Hiring/Firing Guidebook – **please share with all of your staff**
- MIST GB Loss Control Resource and Visits
- **“The best claim is the claim that does not happen” → focus on loss control!**





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Future Meeting Dates

MIST Future Meeting Date



MIST Full Membership Mid-Year Meeting

December 16, 2025 @ 10am



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Meeting Adjournment *Motion Required*