MarshMcLennan Agency

PROPOSAL FOR
INSURANCE SERVICES

Presented for
Waconia ISD #110

Client Address
512 Industrial Blvd
Waconia, MN

Policy Term
07/01/2026 - 07/01/2027

Date Presented
June 10, 2026

Producer
Patrick Truax

Contents

About Marsh McLennan Agency

Marsh McLennan Agency (MMA) provides business insurance, employee health & benefits, retirement & wealth, and private client insurance solutions to organizations and individuals seeking limitless possibilities.

Business Insurance

Employee Health & Benefits

Retirement & Wealth

Private Client Services

Marsh McLennan Agency is the only agency with the #1 brokerage in the world backing us.

Marsh McLennan Agency was set up as a separate operating subsidiary of Marsh in 2009 to redefine the client experience for growing companies. MMA provides the assurance of working with an established, experienced broker that understands your business and your industry. In addition, MMA has access to broad resources and solutions across all Marsh McLennan businesses and the financial stability you can depend on. Local professionals with unlimited capabilities will get you where you want to go.

Market access and leverage

Our global reach gives us access to insurance capacity and underwriting expertise anywhere in the world's insurance market. Additionally, we have broad-based access to regional and specialty markets that may provide competitive coverage or pricing that major insurance carriers may not be able to provide for your unique risks.

Quality you can expect

The MMA colleagues you work with are the most knowledgeable and well-trained insurance specialists in the industry. The insurance business can be extremely complex, requiring knowledge of exposure identification, coverage forms, underwriting, claims handling, regulations, and insurance markets.

Our team is not content simply using their existing knowledge—they continue to adopt new ideas and practices from internal educational programs, external conferences, and through MMA's culture of open communication and collaboration.

As further evidence of our commitment to quality, our colleagues have the opportunity to attend MMA University. MMA University is a first-of-its-kind online educational platform designed to deliver hands-on training and ongoing education to our colleagues.

We know our clients are always learning too. Stay up to date on insights and trends by attending an event or reading our latest reports at MarshMMA.com.

The power of one

It's often said that two is better than one. However, when it comes to working with an insurance broker that can handle property and casualty coverage, employee benefits, and retirement and wealth services, that's not necessarily the case.

So why is one broker better?

There are three very important reasons:

1

A single broker will ultimately translate into more comprehensive coverage at a lower price.

2

A single broker will gain a greater understanding of your organization's evolving risks and how to best manage them.

3

A single broker means eliminating wasted time on redundant work and allows you to focus on what's important—helping your business succeed.

Example of the power of one broker: Workers' Health 360®

Where business insurance risk meets employee health and safety

Integrating data from multiple sources, Workers' Health 360® is a digital platform with a holistic, easy-to-digest view of an organization's employee population. With these insights, our specialists help our clients with data-driven decisions related to both the health and the safety of their most important asset—their team.

MMA WORKERS' HEALTH360

Marsh McLennan Agency Service Team

Broker / Consultant

Responsible for the overall handling of your insurance and risk management needs including program analysis, marketing negotiations, coverage placement and service deliverance.

Patrick Truax	patrick.truax@marshmma.com	+1 (763) 482-9500

Client Executive

Responsible for the day-to-day management of your account; answering coverage questions, negotiating with markets, checking policies and reviewing audits.

Jennie Harrington	Jennie.Harrington@MarshMMA.com	+1 (763) 746-8290

Claims

Responsible for assisting you in filing claims, enhancing carrier communication and helping facilitate prompt claim payment.

Use the below email address to report claims other than Workers Compensation and Automobile Claims.

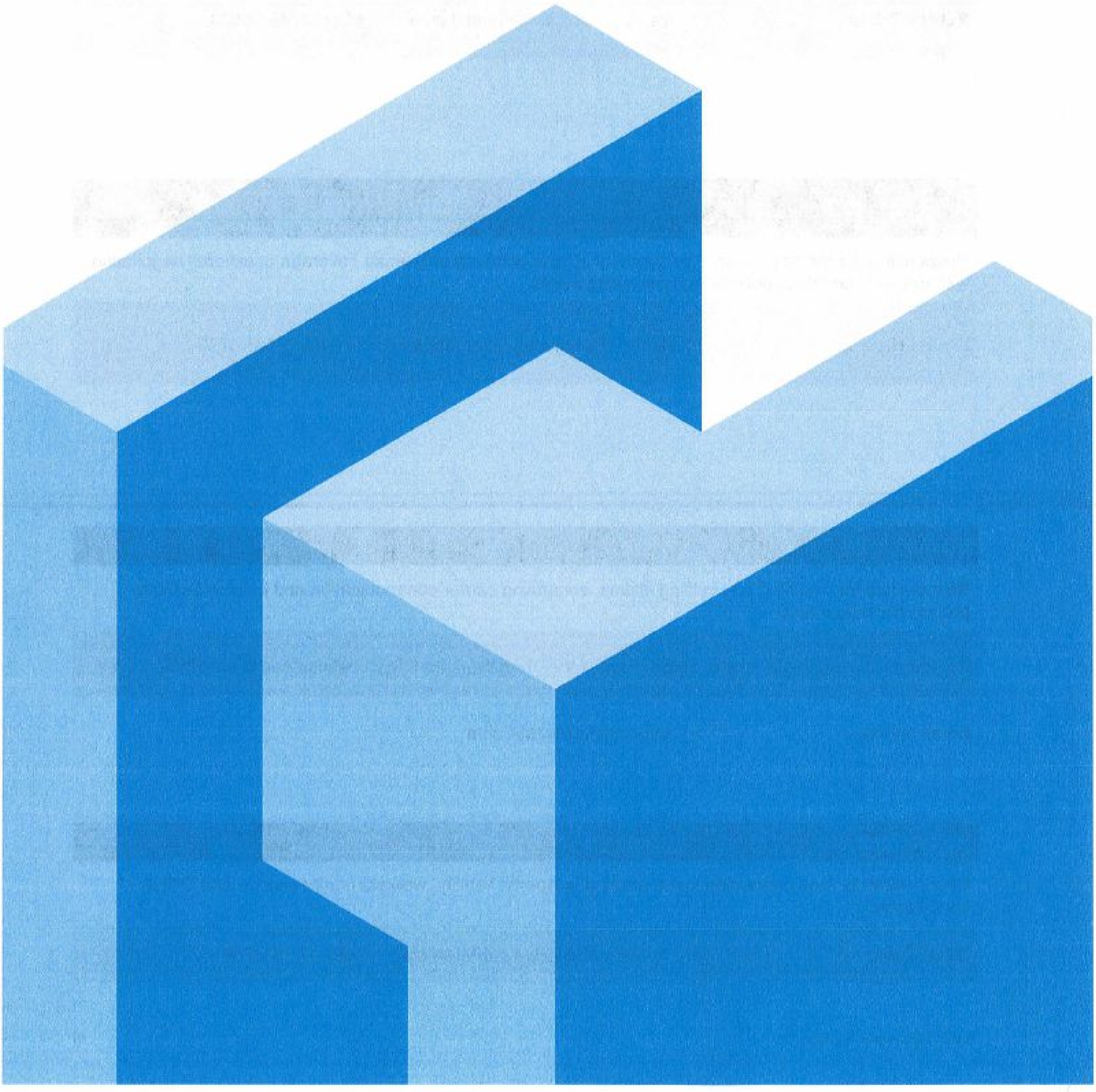
Email Address: claims@MarshMMA.com

Risk Control

Responsible for loss prevention in the areas of property, liability, workers compensation and OSHA compliance.

Mike Music	Mike.Music@MarshMMA.com	(651) 425-8373

SUMMARY



Premium and Exposure Comparison

Coverage	Expiring	Proposed
Carrier	**SFM**	**SFM**
Workers' Compensation	$190,196	$186,409
Terrorism	Included	Included
Volunteer Accident	$399	$399
Total Estimated Annual Premium:	**$190,595**	**$186,808**

Payment Terms & Plans:
- Direct Bill - Quarterly
- HSR: Agency Bill- Annual

Authorization to Bind

After careful review of your proposal, we accept the insurance program as outlined, subject to the following changes:

<u>Request to Bind Insurance Coverage</u>

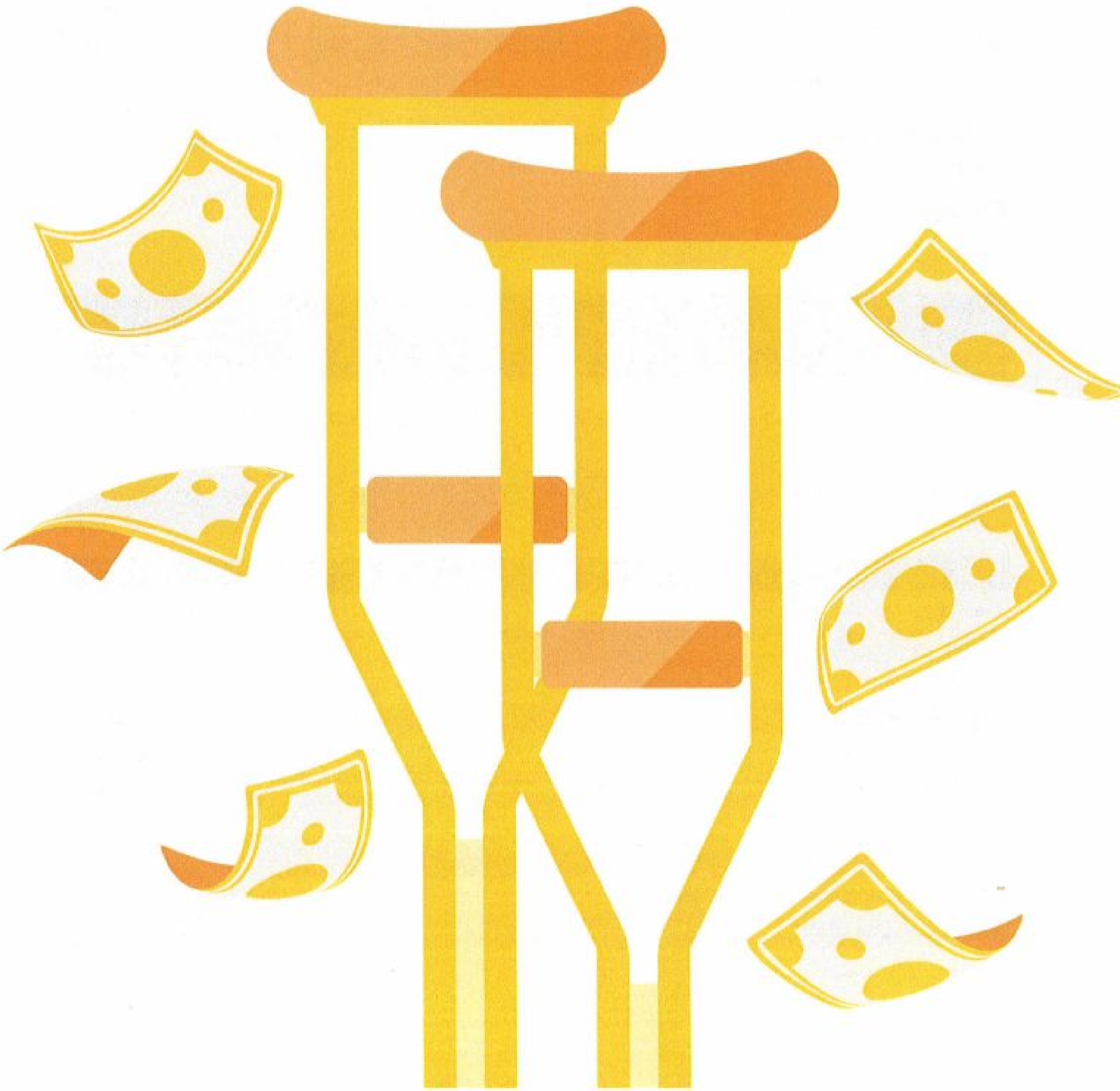
Please bind insurance coverage as specifically quoted and identified in this proposal. I understand coverage is ONLY bound when written confirmation is received from the carrier(s).

Authorized signature: ______________________________

Title/position: ______________________________

Date: ______________________________

WORKERS COMPENSATION



Workers' Compensation

Policy Term: 07/01/2026 to 07/01/2027
Insurer: SFM

Limits

Coverage A: Workers' Compensation – Statutory Limits

Employers Liability

Coverage		Limit
Bodily Injury by Accident:	Each Accident	$500,000
Bodily Injury by Disease:	Per Policy	$500,000
Bodily Injury by Disease:	Each Employee	$500,000

Other States Insurance: All states except those in the monopolistic states of North Dakota, Ohio, Washington, Wyoming, Puerto Rico, and U.S. Virgin Islands.

Exposures

State: MN

Class Code	Classification	Renewal Est. Payroll	Renewal Rate	Expiring Payroll	Expiring Rate	Estimated Annual Premium
8868	School: Professional	$30,235,541	.543	$30,000,000	.53	$164,719
9101	School: All Other	$1,997,851	3.832	$2,000,000	4.56	$76,558

Premium breakdown	
Manual premium	$240,737
Increased limit factor	$1,926
Experience mod (1.12)	$29,120
Schedule credit 17%	**($73,381)**
Premium discount	($19,764)
Expense constant	$205
Terrorism	$1,612
Estimated annual premium	$180,455
MN Special Compensation Fund Assessment	$5,954
Total estimated cost:	**$186,409**

Experience Modification Factor History:

Policy Term	Experience Mod.
2026-2027	1.12
2025-2026	1.10
2024-2025	0.82
2023-2024	0.74
2022-2023	0.70
2021-2022	0.94
2020-2021	1.08

2 Year Workers' Compensation Fixed Term Retention Plan Endorsement

Second Year of a Two Year Retention Plan

SFM Mutual Insurance Company agrees to accept a stated percentage (Retention Factor) of the final audited discounted premium as its fee for administering and servicing the plan. A percentage fee (Loss Conversion factor) is also applied to all incurred claims. In addition, a tax multiplier will be applied to the total of the administration fee and converted losses. The difference of this and the 2 year audited discounted premiums or maximum premium will either be charged or returned to the Insured or SFM Mutual Insurance Company, as the case may be, within thirty (30) days after the calculations described below are made and delivered in writing to the Insured.

Losses will be valued nine (9) months after policy expiration of the second policy period, and will include a loading for loss development, with the initial calculation being run as soon as practical. All subsequent calculations will be made approximately twelve (12) months after the initial calculation.

This plan is a "Losses to Completion" type plan, thus all reductions, as well as increases in reserves for the policy year, will be considered at each successive calculation. The maximum premium charged to an Insured will not exceed 100% of the combined 2 year audited discounted premiums. Any successive calculation can be considered as a "Final" calculation if it is mutually agreed upon by SFM Mutual Insurance Company and the Insured.

Returns are not payable under the Retention Plan if:

1. The policy is canceled for any reason other than retiring from business.

2. Proper records are not available for determination of the final audited discounted premium.

3. Final audited discounted premiums are less than $25,000.

Total Estimated "Annual" Premium: **$178,843**

Retention Factor: **0.32** Loss Conversion Factor: **1.15** Tax Multiplier: **1.055**

Maximum Premium: **100%** of the 2 year audited discounted premiums

Minimum premium: **91%** of the 2 year audited discounted premium.

The retention plan applies to the following state(s): Minnesota and is based on premium before the charge for Terrorism and for other state specific fees and assessments.

Two Year Retention Plan Exhibit

Based upon an Estimated Annual Discounted Premium of $178,843

Retention Factor 0.32 Premium	Loss Ratio	Losses	Loss Conversion Factor 1.150	Tax Multiplier 1.055	Estimated Retention Premium
57,230	0.472	84,377	97,033	154,263	162,747
	0.500	89,422	102,835	160,065	168,869
	0.546	97,643	112,289	169,519	178,843
					MAXIMUM

This exhibit is based on just one year of the retention information. The actual retention calculation will include both the first and second years. Losses in actual retention calculation will include a loading for loss development.

The retention plan applies to the following state(s): Minnesota and is based on premium before the charge for Terrorism and for other state specific fees and assessments.

Highlighted Extensions and Conditions

Extensions and conditions include but are not limited to the following. Please refer to your policy for a complete list of extensions and conditions.

Highlighted Exclusions and Limitations

Exclusions and limitations include but are not limited to the following. Please refer to your policy for a complete list of exclusions and limitations.

List exclusions specific to this client/policy

For a complete list of standard Workers' Compensation exclusions, please visit: https://mma.marshmma.com/workers-compensation-exclusions.

Notations

- Workers' Compensation quotation contemplates exposures in the states listed above. Some carriers are not licensed in all states. Therefore, you must notify us if you have any operations or plan to hire any employees to work in states other than those listed above.
- Beginning January 1, 2003, the information page on your Workers' Compensation policy will show a surcharge for Minnesota's Special Compensation Fund assessments. Until now, the amount of the assessment has been built into your rates and included in the total estimated annual premium amount. New state law does not consider the SCF assessment as premium and requires insurers to take the assessment out of their rate and identify it separately.
    - This new "SCF assessment" line item on your policy information page does not represent a new charge to you.
    - The SCF assessment used to be built into your insurance rate. Now it will be displayed separately.
    - The separately displayed amount should be comparable to what you paid last year, assuming the factors that go into figuring your estimated premium are also comparable.
    - The SCF, administered by the Minnesota Department of Labor and Industry, pays benefits to injured workers of uninsured employers and supplemental benefits to certain low-wage workers. It also pays the cost of operating the state's worker's compensation system, including the Office of Administration Hearings, the Workers' Compensation Court of Appeals and certain department divisions including MN OSHA.
- You may be required under the Workers' Compensation law of your state to include liability for compensation to employees of contractors (or subcontractors) as well as to contractors (or subcontractors) without employees performing work for you. However, this does not apply if the contractor (or subcontractor) has furnished you with a Certificate of Insurance indicating he has Workers' Compensation coverage.

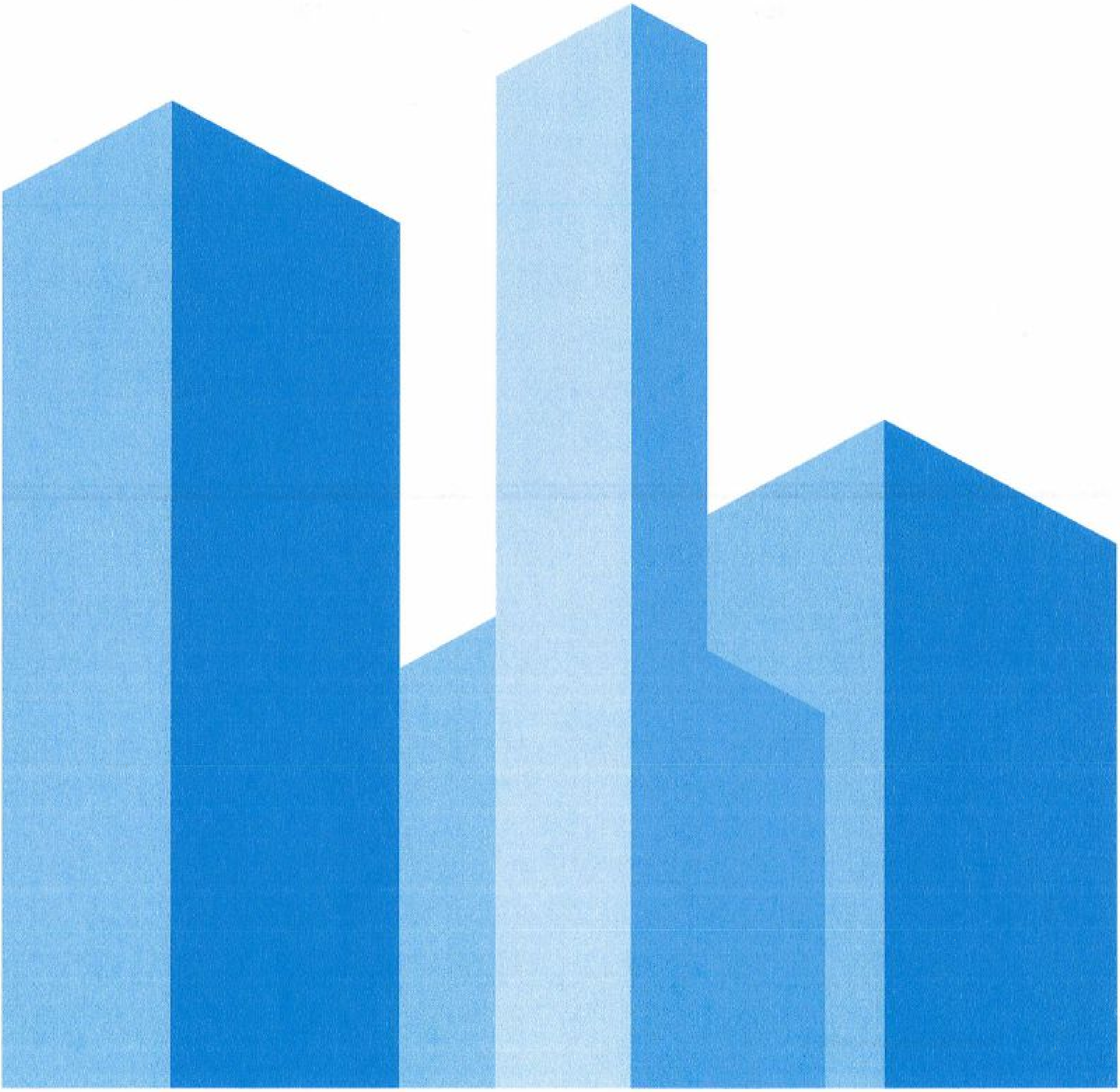
Volunteer Accident

Policy Term: 07/01/2026 to 07/01/2027
Insurer: HSR

Indemnity $25,000

2025-2026 Number Of Volunteers	2026-2027 Number Of Volunteers
150	150

APPENDIX



Compensation Disclosure

Marsh & McLennan Agency LLC ("MMA") prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: https://mma.marshmma.com/non-us-affiliates In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf.

Wholesalers and Managing General Agents (MGAs) offer products and solutions that Marsh & McLennan Agency LLC (MMA) as a retail agent and broker cannot access or offer directly to its clients. Some MMA affiliates act as managing general agents, in which capacity they work solely on behalf of insurers to bind coverage, service policies and, in some cases, settle claims. Our affiliated wholesale brokers are also able to access excess and surplus lines insurers that do not work with retail agents and brokers.

MMA receives compensation through one or a combination of the following methods:

- Retail Commissions – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client. If MMA places business through an affiliated wholesale broker or managing general agent, MMA will advise the client of this at or prior to placement.

- Client Fees – Some clients may negotiate a fee for MMA's services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA's engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client's placements.

- Contingent Commissions – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.

- Supplemental Commissions – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer's performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.

- Wholesale Broking Commissions – Sometimes MMA acts as a wholesale insurance broker for some transactions (which may include MMA's retail broking operations). In these placements, MMA is engaged by a retail broker that has the direct relationship with the insured. MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail broker does not have. In these transactions, the insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.

- In addition, some MMA affiliates act as managing general agents, in which capacity they work solely on behalf of insurers to bind coverage, service policies and, in some cases, settle claims. Our affiliated wholesale brokers are also able to access excess and surplus lines insurers that do not work with retail agents and brokers. Like other MGA's and wholesalers, our affiliates may also be compensated by commissions received from insurers. These commissions are separate and apart from any commissions received by MMA. When MMA places business through affiliated wholesalers, the insurer pays a commission that may be divided between our affiliated wholesaler and MMA. Compensation earned by wholesalers may be shared with MMA as described in the Contingent and Supplemental Commissions sections above.

- Medallion Program and Sponsorships – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.

- Other Compensation & Sponsorships – From time to time, MMA may be compensated by insurers for providing administrative services on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events. MMA may also have arrangements with vendors who compensate MMA for referring clients for vendor services.

We will be pleased to provide you with additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at https://www.marshmma.com/us/compensation-guide.html.

Unless otherwise provided for in our agreement with you, MMA's aggregate liability arising out of or relating to any services on your account shall not exceed one times annual revenue, and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

MarshMcLennan Agency

A business of Marsh McLennan

Important Disclosures

Insurance Terminology

These are most common terms, but may not include all. Definitions of coverage are for your reference only and do not constitute what may be included in your insurance program.

Workers' Compensation

This coverage agreement obligates the insurer to pay all compensation and other benefits required of the insured by the workers' compensation law or occupational disease law of any state listed in the policy. The coverage applies to bodily injury by accident and by disease. Coverage (A) shows no dollar limit for the benefits provided since any applicable limits would be those established within the law. Benefits under coverage (A) are paid to the employee without regard to fault.

Term	Definition
Employers Liability	Coverage against the common law liability of an employer for injuries sustained by employees, as distinguished from liability imposed by a workers' compensation law.
Bodily Injury by Accident	This amount is the most an insurer will pay under coverage (B) for all claims arising from any one accident, regardless of how many employees are involved in the accident.
Bodily Injury by Disease (Policy Limit)	This is the aggregate limit the insurer will pay under coverage (B) for all claims sustaining bodily injury by disease during the policy period.
Bodily Injury by Disease (Each Employee)	This amount is the most an insurer will pay under coverage (B) for damages due to bodily injury by disease to any one employee.
Other States insurance	This provides workers' compensation coverages if the insured expands operations into other states not declared at the time the policy is issued or renewed. If the insured elects this coverage and operations begin in a state listed in other states, the insurer provides the same coverage as if the state was declared in the policy at the time of policy issuance.
Voluntary Compensation endorsement	Workers' compensation laws of most states exempt some type of employment from workers' compensation benefits. This endorsement amends the standard policy to provide coverage for employees with exempted occupations from the workers' compensation act. When the endorsement is added it does not make employees subject to the workers' compensation law.
United States Longshore & Harbor Workers Act Endorsement (USL&HWA)	This is a federal act which is similar to the state workers' compensation act. The federal act was designed to provide workers' compensation benefits to employees who work in maritime employment upon the navigable waters of the United States and who are usually considered outside the scope of state workers' compensation laws. When the USL&HWA endorsement is added to the standard policy it applies to work done in the states scheduled on the policy and extends the definition of the workers' compensation law to include the USL&HWCA.

Term	Definition
Executive Officers, Partners Exclusion endorsement	In some states, workers' compensation law allows an insured to include or exclude Executive Officers and Partners, or both, from coverage. Adding this endorsement can designate the individuals not covered under the policy.
Experience Modification	This is a factor that deals with the rating of the policy. The Experience Modification figure is insured's loss experience. The factor is used to increase or decrease the manual rates of insurance.