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Date: March 22, 2024

To: School Board Members
Kraig Steinhoff, Superintendent

From: Kelly Christopherson *KC*

RE: Health Insurance

The District's Health Insurance Committee received the renewal information on March 21, 2024 regarding the District's health insurance with the Associated School Boards of South Dakota Protective Trust for 2024-2025. The District also currently purchases property, liability, and worker's compensation insurance from the ASBSD Protective Trust.

The committee's recommendation is to accept the renewal offer from the ASBSD Protective Trust. The renewal is a 2% increase on our current rates.

Single coverage is \$778; Employee + 1 coverage is \$1554; Employee and dependents coverage is \$1407; and Family coverage is \$1942.



EXHIBIT "A"

FY25 Health Plan Premium Equivalent Rates

Huron

Billing Unit 027A

Loss Ratio: 82.9%

Increase: 2%

Plan Name:	Plan Design	FY25 Active Rates	FY25 COBRA Rates	FY25 Retiree Rates
Plan 1 - \$1,000 PPO PL0021	\$1,000 / \$2,000			
Single		\$778.00	\$794.00	\$817.00
Employee + 1		\$1,554.00	\$1,585.00	\$1,632.00
Employee and Dependents		\$1,407.00	\$1,435.00	\$1,477.00
Family		\$1,942.00	\$1,981.00	\$2,039.00

ASSOCIATED SCHOOL BOARDS PROTECTIVE TRUST
SOUTH DAKOTA SCHOOL DISTRICT BENEFITS FUND
PARTICIPATION AGREEMENT

WHEREAS, the Huron School District (hereinafter "DISTRICT," "MEMBER," "PLAN SPONSOR," or "EMPLOYER") has, by resolution of its duly-elected governing body, adopted the ASB PROTECTIVE TRUST JOINT POWERS AGREEMENT AND BYLAWS;

WHEREAS, the DISTRICT is desirous of receiving health benefit coverage as provided in this Agreement and the "SUMMARY PLAN DESCRIPTION" (hereinafter "SPD"), incorporated herein by this reference, for each named employee eligible for coverage and listed on the "Enrollment Form" provided by the EMPLOYER (hereinafter "COVERED EMPLOYEE");

WHEREAS, the SOUTH DAKOTA SCHOOL DISTRICT BENEFITS FUND (hereinafter "Benefit Fund") exists for the purpose of providing health care coverage for MEMBER DISTRICT employees; and WHEREAS, the ASSOCIATED SCHOOL BOARDS OF SOUTH DAKOTA (hereinafter "ASBSD") has been designated as the "Trust Administrator" herein;

NOW THEREFORE BE IT AGREED AS FOLLOWS:

SECTION I
DEFINITIONS

- 1.1. ASBSD -- Associated School Boards of South Dakota.
- 1.2. ASB Protective Trust -- An unincorporated assessable association operating under the laws of the State of South Dakota to provide health, property, worker's compensation, and liability coverage for school districts and public agencies which have elected to participate in a pool arrangement and their employees in South Dakota (hereinafter referred to as "TRUST").
- 1.3. Benefit Fund -- The South Dakota School District Benefits Fund, as well as its Claims Supervisor or other designated entity.
- 1.4. Claims Supervisor -- Wellmark BCBS of SD, 1601 W Madison Street, Sioux Falls, SD 57104, Phone 1-800-831-4818.
- 1.5. Covered Employee -- An eligible employee, defined as an "eligible member" in the "SUMMARY PLAN DESCRIPTION," who has completed the enrollment form, whose name and social security number has been reported to the Trust Administrator, and for whom the contribution has been made.
- 1.6. Coverage Period -- The term of this Agreement is one year. Coverage shall be on a monthly basis. Coverage shall be deemed continuing unless terminated as provided herein or when the EMPLOYER fails to make timely monthly contributions.
- 1.7. Date of Termination -- A date not less than ninety (90) days from receipt of notice of termination by the Trust Administrator.

1.8. Earned Contribution -- Active Employee, Retiree and COBRA revenue received by the FUND from a MEMBER for a specific month.

1.9. Health Care Coverage or Plan -- Health care benefits, as elected by the Plan Sponsor, and employee, may include medical and life, as provided in the then current version of the applicable "SUMMARY PLAN DESCRIPTION" for the plan the employee is enrolled at the time of a claim, including amendments thereto, and as further defined and limited in this Agreement and the Trust Bylaws.

1.10. Total Earned Contribution -- Active Employee, Retiree and COBRA revenue received by the FUND from all MEMBERS in aggregate on an annual basis.

1.11. Trust Administrator -- Associated School Boards of South Dakota, 306 East Capitol, Pierre, South Dakota 57501, Telephone (605) 773-2500, FAX (605) 773-2501.

SECTION II OBLIGATION OF PARTICIPATING EMPLOYER

2.1. **Contribution.** Each participating EMPLOYER shall be responsible for prompt and timely payment of the applicable contribution. The contribution, which includes the employer and employee portions, shall be paid **monthly** by the EMPLOYER. The amount of contribution required is as set forth in the Adoption and Renewal Motion, attached hereto, and incorporated herein by this reference, upon approval by the MEMBER'S governing board. Contribution amounts are calculated on an annual basis or such shorter period as may be agreed upon. **The District's contributions are due on the first of each month and is delinquent after the fifth day. Delinquent accounts will accrue interest and penalties.**

2.2. **Eligibility.** The EMPLOYER shall track and maintain employee eligibility at all times in accordance to the **ASSOCIATED SCHOOL BOARDS PROTECTIVE TRUST ADMINISTRATIVE PROCEDURES FOR ELIGIBILITY FOR GROUP HEALTH COVERAGE** document contained within the SPD and adhere to the EMPLOYER'S own expressly stated hours of eligibility and effective date of coverage within the guide. The EMPLOYER shall notify the FUND through the EMPLOYEE enrollment or change in eligibility process of any employee change in eligibility at the end of each month. If it is discovered that any claims have been paid by the FUND or the FUND's stop loss carrier on a non-eligible employee, such claims shall be the responsibility of the EMPLOYER, who shall reimburse the FUND and/or the FUND's stop loss carrier, whichever is applicable, for all such paid claims.

2.3. **Notice of Enrollment and Unenrollment.** In addition to executing and returning this Agreement and its attachments and promptly complying with the requirements of the ASB Trust Bylaws, the EMPLOYER shall provide the Trust Administrator with a completed enrollment form for each eligible employee when hired or added and provide monthly notice of and date that each eligible employee is terminated, deleted, or removed from the group along with the payment of the contribution.

2.4. **Confidentiality.** The EMPLOYER will keep all medical information regarding a covered employee separate from the employee's personnel file and will comply with the provisions of all applicable state and federal law with respect to confidential medical information.

2.5. **COBRA.** Each EMPLOYER shall provide timely notice of coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) to each employee who loses health coverage under the Benefit Fund or whose eligible spouse or eligible dependents lose health coverage under the Benefit Fund and shall provide to the Trust Administrator a copy of the affected employee's or qualified beneficiary's written election to continue or decline coverage under COBRA. Failure of the EMPLOYER to give timely notice of COBRA coverage to an eligible employee or qualified beneficiary shall result in the EMPLOYER being responsible for providing COBRA continuation coverage for any affected employee or qualified beneficiary. The cost for continuing coverage under COBRA shall be no more than one hundred two percent (102%) of the rate for the affected employee's or qualified beneficiary's coverage. Payment of contributions for continuing coverage under COBRA is the affected employee's responsibility or, if elected by the EMPLOYER, the EMPLOYER's responsibility. Failure of the affected employee to make timely payment shall terminate COBRA coverage. Payment made by the affected employee must be received within the allowable timeframe according to COBRA regulations.

2.6. **Providing Plan Information.** The EMPLOYER shall at the time of enrollment and thereafter annually provide a copy of the current and applicable SUMMARY PLAN DESCRIPTION to each covered employee and may advise the employees that this Participation Agreement together with the ASB Trust Bylaws apply to the employee's coverage which are available for inspection without charge during business hours at the EMPLOYER'S business office. The EMPLOYER shall advise all covered employees that the provisions of this Participation Agreement and the ASB Trust Bylaws are binding requirements of coverage, and that the SPD is only a description of benefits.

2.7. **Health and Safety Conditions.** The EMPLOYER agrees to not knowingly allow any condition to exist in the workplace which is detrimental to the health and safety of the covered employees. The EMPLOYER agrees to allow the Benefit Fund, its Trust Administrator, Claims Supervisor, or the designee of any of them, to inspect the EMPLOYER'S premises in order to determine whether any condition detrimental to the health or safety of the covered employees exists. The EMPLOYER acknowledges that neither the Trust Administrator nor the Claims Supervisor is obligated to make any inspection or recommendation with regard to health and safety conditions.

SECTION III OBLIGATIONS OF THE BENEFIT FUND

3.1. **Coverage.** The Benefit Fund agrees to provide coverage for eligible claims by covered employees timely submitted as described in the applicable SPD for the plan in which such covered employee is enrolled at the time of a claim.

3.2. **Claims Forms.** The Benefit Fund shall provide to the EMPLOYER an adequate number of claim forms for use by covered employees in submitting claims.

SECTION IV
TRUST OBLIGATIONS

4.1 **Management and Administration.** The Trust shall manage and administer the TRUST. The management and administration of the Trust shall be performed by the Trust or its designee upon the direction and advice of the Trust Board

4.2 **Authority and Obligations.** Management and administration of the Trust shall include, but not be limited to, the following authority and obligations:

- (1) Evaluation and establishment of reserves for claims.
- (2) Investigation and adjusting of claims.
- (3) Making payment of compensable benefits as required under the Bylaws, this Participation Agreement, and the applicable Summary Plan Description.
- (4) Negotiating settlements of claims or suits against the MEMBER or TRUST as authorized or approved pursuant to policies of the Trust Board and securing appropriate releases upon settlement of claim.
- (5) Selecting and monitoring attorneys employed to defend claims or suits against the MEMBER or the TRUST.
- (6) Monitoring claims for subrogation and undertaking recovery efforts when economically feasible and advisable.
- (7) Maintaining reports identifying MEMBERS' claims by category, payments made, and reserves of claims. Such reports shall be available to MEMBERS and each Trustee as required by policies adopted by the Trust Board.
- (8) Providing such reports and documentation as required by any applicable Summary Plan Description.
- (9) Preparing and filing reports required by the state or federal government or agencies thereof.
- (10) Providing or contracting for loss control and developing and disseminating loss control programs to reduce losses to the MEMBERS.
- (11) Monitoring frequency and severity of claims' performance of MEMBERS.
- (12) Establishing rating structures to determine MEMBER contributions, providing billing to MEMBERS for contributions and providing notices to MEMBERS regarding contribution changes and assessments.

(13) Securing insurance coverage, excess insurance coverage, reinsurance, stop loss agreements, endorsements, and other indemnification agreements, both as to specific individual claims and aggregate claims as determined by the Trust Board, and determining the amount of retention for claims, if any, in each area of coverage by the TRUST.

(14) Developing programs for TRUST expansion.

(15) Determining proposed distributions to MEMBERS of excess reserves, proposed payment of assessments, if any, based upon the Fund's performance or such criteria in accordance to the ASB Protective Trust By-Laws.

(16) Providing billing, collection, and auditing of contributions to the TRUST by MEMBERS.

(17) Retaining and authorizing outside legal and financial assistance.

(18) Entering into an Administrative Services Agreement with a third party delegating the responsibilities and authorities of management of the Trust Obligations upon the approval and advice of the Trust Board

(19) Performing an annual audit in accordance to the ASB Protective Trust By-Laws.

SECTION V TERM OF AGREEMENT

5.1. **Termination.** This Agreement can be terminated by mutual agreement in writing at any time. Failure of the participating EMPLOYER, or an employee under continuing COBRA coverage, to timely pay the contribution **terminates the coverage as of the last day for which the full premium was paid or voids the coverage ab initio (from the beginning) if the premium was never paid.**

5.2. **Coverage Commencement.** Notwithstanding any other coverage or benefit year identified in any coverage plan document, coverage under this Participation Agreement will commence on the day indicated in the adoption and renewal motion as prepared by the Fund, contingent upon receipt by the Benefit Fund of the timely payment of each monthly contribution from the MEMBER. In the event the due date of any contribution falls on a weekend or holiday, the contribution must be received by the following business day.

5.3 **Renewal and Notice of Termination.** Coverage under this Participation Agreement shall continue for another year term unless a MEMBER provides board approved written notice of its intention not to renew coverage for a subsequent coverage year **no later than April 30th** of any coverage year. Failure to notify the Trust Administrator as provided herein is a binding commitment on the part of the MEMBER to renew membership for another year at the contribution rate established by the Trust Administrator prior to the renewal date.

5.4 **Non-Timely Notice of Termination.** In the event that the participating MEMBER fails to provide notice in accordance with Section 5.3 herein of its intention not to renew coverage, payment of three (3) months Earned Contribution will be required. The three (3) months of

Earned Contribution will be calculated by using the highest one (1) month of Earned Contribution dating back to the preceding July 1 prior to when the absence of timely notice was received by the Trust Administrator. That highest monthly amount will be multiplied by three (3) to equal the amount due by the MEMBER prior to termination. Payment is due within sixty (60) days of receiving an invoice from the Trust Administrator and a ten percent (10%) monthly finance charge will be applied to the balance due if payment is not received in that timeframe. The finance charge will be compounded for each additional month the balance is outstanding past the 60 days. Non-timely notice of terminating coverage does not relieve the MEMBER of any outstanding assessments and other participation termination requirements outline in this participation agreement or by-laws. Non-timely notice of termination shall constitute abandonment of the MEMBER'S right to any future distribution of excess reserves. See Appendix A for example.

5.5. **Early Termination.** In the event a MEMBER seeks to withdraw prior to the end of the coverage year it shall provide a ninety (90) day board approved written notice of termination and payment of three (3) months Earned Contribution will be required. The three (3) months of Earned Contribution will be calculated by using the highest one (1) month of Earned Contribution dating back to the preceding July 1 prior to when the absence of timely notice was received by the Trust Administrator. That highest monthly amount will be multiplied by three (3) to equal the amount due by the MEMBER prior to termination. Payment is due within sixty (60) days of receiving an invoice from the Trust Administrator and a ten percent (10%) monthly finance charge will be applied to the balance due if payment is not received in that timeframe. The finance charge will be compounded for each additional month the balance is outstanding past the 60 days. Early termination of coverage does not relieve the MEMBER of any outstanding assessments and other participation termination requirements outline in this participation agreement or by-laws. Early termination shall constitute abandonment of the MEMBER'S right to any future distribution of excess reserves. See Appendix A for example.

5.6. **Obligations Upon Termination.** Termination of this Agreement shall not relieve the participating MEMBER of its obligation to ensure the MEMBER is leaving the FUND in sound financial position and at least one of the following provisions will be enforced upon termination:

(1.) If the ending audited Net Position of the FUND at the conclusion of the fiscal year ending in this agreement is less than twelve percent (12%) of the FUND'S audited Total Earned Contribution for that fiscal year the MEMBER will be responsible for additional Earned Contribution before fully terminating from the FUND. The terminating MEMBER will be responsible for a pro-rated amount of the difference between the product of twelve percent (12%) of Total Earned Contribution less the actual audited ending Net Position for that fiscal year. The difference will be multiplied by the MEMBER'S percentage of overall Earned Contribution the terminating entity contributed to the FUND'S Total Earned Contribution for that fiscal year. In addition, the MEMBER will be responsible for one (1) month of Earned Contribution to be fully terminated from the fund. The one (1) month of Earned Contribution due will be calculated by using the highest one (1) month of Earned Contribution dating back to the preceding July 1 multiplied by one (1).

See Appendix B for example.

(2.) If the ending audited Net Position of the FUND at the conclusion of the fiscal year ending in this agreement is equal to or greater than twelve percent (12%) of Total

Earned Contribution the MEMBER will be responsible for one (1) month of Earned Contribution to be fully terminated from the FUND. The one (1) month of Earned Contribution due will be calculated by using the highest one (1) month of Earned Contribution dating back to the preceding July 1 multiplied by one (1).

See Appendix C for example.

Payment, in accordance with the provisions in Sections 5.6.1. and 5.6.2, is due within sixty (60) days of receiving an invoice from the Trust Administrator and a ten percent (10%) monthly finance charge will be applied to the balance due if payment is not received in that timeframe. After sixty (60) days, the finance charge will be compounded for each additional month the balance is outstanding past the 60 days.

5.7. Contributions After Termination. Notice of termination of this Agreement shall not relieve the participating MEMBER of its obligation to pay contributions through the date of termination of the agreement and assessments made against MEMBERS, which occurred during the MEMBER'S participation, nor shall it relieve the participating MEMBER of any continuing obligation assumed through their adoption of the ASB Trust Bylaws. The fund reserves the right to require additional or supplemental contributions, in the form of a member assessment, from each participating MEMBER for any fund year in which the initial contributions are inadequate to pay benefits, costs of operation or other expenses of the program subject unless limited to provisions of the Assessment Memorandum of Understanding entered into in Fiscal Year 2017. Such additional or supplemental contribution may be assessed within the immediate subsequent fund year upon any MEMBER who participated in the fund during the previous such fund year in which there are inadequate contributions, regardless of whether MEMBER is participating in the fund at the time of such member assessment.

In WITNESS WHEREOF, the Superintendent hereby acknowledges participation in the South Dakota School District Benefits Fund as indicated below.

Huron School District

School Superintendent

Date

I HEREBY CERTIFY that the School Board has, by motion duly passed in open session, authorized the execution of this Participation Agreement on behalf of the District.

Business Manager

Date

Appendix A

School District A example for Sections 5.4 & 5.5 (early termination or non-timely notice of non-renewal and if Net Position is less than 12% of Total Earned Contribution)

Month	Earned Premium	
July	\$27,491	
August	\$27,675	
September	\$27,583	
October	\$29,813	Highest one month
November	\$27,376	
December	\$27,376	
January	\$27,376	
February	\$27,376	
March	\$27,376	
April	\$27,376	
May	\$28,850	
June	\$28,017	
Total	\$333,685	
% of Overall Earned Contribution of the Fund: 3%		

FUND Ending Net Position example of less than 12% of Total Contributions Earned

Total Contributions Earned for FY 2XX1: \$11,122,833
 Target Ending Net Position for FY 2XX1: \$1,334,740
 Target % of Net Position to Total Earned Contributions: 12%

Example Actual Ending Net Position for FY 2XX1: \$900,000
 Actual % of Net Position to Total Earned Contributions: 8%

Target Ending Net Position for FY 2XX1: \$1,334,740
 Actual Ending Net Position for FY 2XX1: \$900,000
 Difference: \$434,740

School District A % of overall Total Earned Contribution: 3%

School District A responsibility to leave the fund in sound financial position:

\$13,042 (\$434,740 x 3%)

Total Termination Contribution amounts for Sections 5.4 & 5.5 example:

Highest one month of premium times three: **\$29,813** x 3 = \$89,439
 Responsibility to leave the fund in sound financial position: \$13,042
Total Termination Responsibility: \$102,481

Appendix B

School District A example for Section 5.6.1(termination with Net Position less than 12% of Total Earned Contribution with timely notice of non-renewal)

Month	Earned Premium	
July	\$27,491	
August	\$27,675	
September	\$27,583	
October	\$29,813	Highest one month
November	\$27,376	
December	\$27,376	
January	\$27,376	
February	\$27,376	
March	\$27,376	
April	\$27,376	
May	\$28,850	
June	\$28,017	
Total	\$333,685	
% of Overall Earned Contribution of the Fund: 3%		

FUND Ending Net Position example of less than 12% of Total Contributions Earned

Total Contributions Earned for FY 2XX1:	\$11,122,833
Target Ending Net Position for FY 2XX1:	\$1,334,740
Target % of Net Position to Total Earned Contributions:	12%

Example Actual Ending Net Position for FY 2XX1:	\$900,000
Actual % of Net Position to Total Earned Contributions:	8%

Target Ending Net Position for FY 2XX1:	\$1,334,740
Actual Ending Net Position for FY 2XX1:	<u>\$900,000</u>
Difference	\$434,740

School District A % of overall Total Earned Contribution: 3%

School District A responsibility to leave the fund in sound financial position:

\$13,042 (\$434,740 x 3%)

Total Termination Contribution amounts for Section 5.6.1 example:

Highest one month of premium times two:	\$29,813 x <u>1</u> =	\$29,813
Responsibility to leave the fund in sound financial position:		\$13,042
Total Termination Responsibility:		\$42,855

Appendix C

School District A example for Section 5.6.2 (termination with Net Position greater than 12% of the Total Earned Contribution.

Month	Earned Premium	
July	\$27,491	
August	\$27,675	
September	\$27,583	
October	\$29,813	Highest one month
November	\$27,376	
December	\$27,376	
January	\$27,376	
February	\$27,376	
March	\$27,376	
April	\$27,376	
May	\$28,850	
June	\$28,017	
Total	\$333,685	
% of Overall Earned Contribution of the Fund: 3%		

FUND Ending Net Position example of greater 12% of Total Contributions Earned

Total Contributions Earned for FY 2XX1:	\$11,122,833
Target Ending Net Position for FY 2XX1:	\$1,334,740
Target % of Net Position to Total Earned Contributions:	12%

Example Actual Ending Net Position for FY 2XX1:	\$2,002,110
Actual % of Net Position to Total Earned Contributions:	18%

Target Ending Net Position for FY 2XX1:	Not Applicable
Actual Ending Net Position for FY 2XX1:	<u>Not Applicable</u>
Difference	Not Applicable

School District A % of overall Total Earned Contribution: 3%

School District A responsibility to leave the fund in sound financial position:

Not Applicable

Total Termination Contribution amounts for Section 5.6.2 example:

Highest one month of premium time two:	\$29,813 x <u>1</u> = \$29,813
Responsibility to leave the fund in sound financial position:	Not Applicable
Total Termination Responsibility:	<u>\$29,813</u>

**ASSOCIATED SCHOOL BOARDS
PROTECTIVE TRUST
SOUTH DAKOTA SCHOOL DISTRICT BENEFITS FUND
ADOPTION AND RENEWAL MOTION**

BE IT HEREBY MOVED AND RESOLVED by the Huron School District School Board of the Huron School District, acting in pursuant to SDCL ch. 1-24 and SDCL 13-10-3, 13-8-39, and the general authority of SDCL title 13, and hereby adopts, approves, and ratifies the South Dakota School District Benefits Fund Participation Agreement as attached hereto as EXHIBIT A, effective as of the time of adoption of this Motion.

BE IT FURTHER MOVED AND RESOLVED that the Protective Trust Joint Powers Agreement and Bylaws are hereby adopted, and further that actions taken under the ASB Protective Trust Joint Powers Agreement and Bylaws and the South Dakota School District Benefits Fund Participation Agreement since the time and date the District initially joined said Trust are hereby ratified and approved to the same extent and effect as if each amendment thereto had been separately submitted and to the Board for approval prior to execution by the Superintendent and Business Manager.

BE IT FURTHER MOVED AND RESOLVED that the Superintendent and Business Manager are hereby authorized to execute, on behalf of the District, the present South Dakota School District Benefits Fund Participation Agreement as it presently exists and may from time to time be amended and approved pursuant to the Bylaws herein adopted. Each succeeding Participation Agreement changing in any manner the benefits, contributions, or obligations arising under the South Dakota School District Benefits Fund shall be submitted to the Board for approval prior execution by the Superintendent and Business Manager.

IT IS FURTHER MOVED AND RESOLVED that coverage provided in the South Dakota School District Benefits Fund Participation Agreement shall extend from 12:01 a.m. CST, July 1, 2024 to 12 midnight CST, June 30, 2025. The contribution required for such coverage is as set forth in the attached EXHIBIT A renewal letter and by this reference incorporated herein.

There is hereby delegated to the Superintendent the authority to carry out, or to further delegate subject to his supervision and responsibility, the obligations of the District identified in the Bylaws approved herein, the Participation Agreement, and the

Master Contracts provided by the Trust Administrator. Finally, the Board hereby agrees to indemnify the Trust and its members, pursuant to the process established in the Bylaws approved herein, the full amount of any assessment levied by the Trust Fund Board, including termination contribution, pursuant to the Bylaws and the full amount of any contribution agreed to in the current or subsequent Participation Agreements approved by the Board as submitted upon proper vouchers.

Done this _____ day of _____, 2024, at _____ South
Dakota.

School Board President

I hereby certify that the foregoing Motion was adopted by the Huron School District School Board in open session at a regularly-called meeting on the _____ day of _____, 2024.

Business Manager