



Kelly Christopherson
Business Manager
150 5th St. SW
Huron, SD 57350
P: (605) 353-6995
F: (605) 353-6994
kelly.christopherson@k12.sd.us

Date: March 25, 2024

To: School Board Members
Kraig Steinhoff, Superintendent

From: Kelly Christopherson 

RE: Worker's Compensation Insurance

The District's Worker's Compensation insurance renewal for 2024-2025 is \$158,174, about the same as last year. The ASBSD Work Comp fund is doing really well financially and rates were lowered for all participants this year. In addition, this year we received rate relief of \$46,187 because the work comp fund has plenty of cash on hand and because of our long membership in the fund.

I recommend renewing the Work Comp coverage, including the coverage of School Board Members and volunteers.



ASSOCIATED SCHOOL BOARDS

PROTECTIVE

TRUST

Huron School District

Associated School Boards Workers' Compensation Fund

Renewal Proposal

Policy Period: July 1, 2024-June 30, 2025

Executive Summary

We appreciate the opportunity to present the Associated School Boards Workers' Compensation Fund renewal to you. The Workers' Compensation Fund performs at a very high level and is very strong financially. The fund typically outperforms commercial carriers and their respective loss ratios.

Risk Pooling 101

ASB Workers' Compensation Fund is a partially self-insured fund providing workers' compensation benefits to South Dakota School Districts. We are partially self-insured because we have a reinsurance carrier in place for claims that exceed our self-insured retention. The reinsurance mechanism transfers risk to a commercial reinsurance carrier and caps our exposure to catastrophic losses.

We employ actuaries, auditors, underwriters and other service providers to ensure the fund is staying strong financially. We look like and use the same methodologies as a commercial insurance carrier, but we are 100 percent owned by our members. The Fund does not have a profit margin or commission goals to meet. Any excess equity is retained by the fund.

We have mechanisms built in to help smooth yearly increases to keep the cost of your district's work comp coverage affordable and predictable.

ASB Workers' Compensation Fund's Broad Service Platform

While focusing on the specific areas mentioned above, the proposal also contains details describing the ASB Workers' Compensation Fund's extensive service platform – a platform which we believe was created with our district members in mind.

Our services have continually evolved over our 30+ year history and are regularly enhanced based on direct feedback from our members. Each service has been created to address one or all of the following:

- Eliminate administrative costs to your school district
- Reduce or eliminate the potential for claims or losses through on-site loss control
- Reduce the amount of reserves on your claims
- Provide financial protection for areas of exposure

ASB Workers' Compensation Fund keeps business local to South Dakota

ASB Workers' Compensation Fund recognizes the importance to keeping business local to South Dakota. ASB Workers' Compensation Fund is administrated by *Associated School Boards of South Dakota* and our office is located in Pierre, SD.

Our third-party claims administrator is *Claims Associates, Inc.* based in Sioux Falls, SD.

In addition, the ASB Workers' Compensation Fund has approximately \$13 million in the South Dakota banking system.

2024-2025 Renewal Information

In 2017, we provided an AED to our entire Workers' Compensation Fund membership which meant 80+ AEDs to South Dakota school districts. In 2021 we provided replacement pads and batteries for those AED's to our membership. We plan to keep the program running into the indefinite future by providing an AED to new members.

Each district's Experience Modification is generated by our actuaries and we capped Experience Modification changes at +/-10 percent.

We do recognize investment revenue and apply the discount accordingly. The investment yields are recognized on an offset of expected claim expense provided by our actuaries. We then use your experience modification, claim history, and estimated payroll exposure to calculate renewal contributions.

Premium Stabilization Reserve (PSR)

The **Premium Stabilization Reserve** was started in 2018-2019 fund year. The Fund's stability resulted in excess reserves giving the Board of Directors, at the recommendation of the ASB Workers' Compensation Advisory Committee, the opportunity to commit \$3 million of Net Position to offset rates for five years. The PSR allowed the annual return of \$600,000 back to members of the Workers' Compensation Fund in rate relief from accumulated equity.

For the seventh year, the Board of Directors has committed to a \$600,000 premium stabilization reserve (PSR) to be returned to members for the 2024-2025 renewal. As in the past, the \$600,000 is allocated to members based on accumulated annual contributions. This is another one of the benefits of participating in a pool that is member owned.

The ASB Workers' Compensation Fund continues to be financially stable thanks to our member districts focus on safety, on-site loss control services, and our local presence in South Dakota. ASBPT continues to be a very competitive solution for health, property/liability and workers' compensation for South Dakota School Districts.

Cordially yours,



Holly Nagel
Chief Financial Officer
Director of Protective Trust Services
Associated School Boards of South Dakota

ASBPT - Workers' Compensation Fund 2024-2025

Huron School District
Invoice Due Date: July 20, 2024

Coverage and Limits:

Description	2024-2025 Premium
Workers' Compensation	Coverage A---Statutory Coverage B---\$2,000,000
2023-2024 Estimated Payroll	\$21,600,000
2024-2025 Estimated Payroll	\$23,800,000
Difference between 23-24 and 24-25 Estimated Payroll	\$2,200,000
2024-2025 Estimated Contributions before PSR	\$204,361
Share of Premium Stabilization Reserve (PSR) applied for rate relief	\$46,187
2024-2025 Rate per \$100 of payroll <u>after PSR</u>	.665
2024-2025 Estimated Contributions <u>after PSR</u> Total Amount Due:	\$158,174

Please make check payable to:
ASB Workers' Compensation Fund
PO Box 1059
Pierre, SD 57501

Please do not include other payments in this check such as health, property/liability or any ASBSD functions.

Coverage A—Workers' Compensation	Statutory
Coverage B—Employers Liability	
Bodily Injury by Accident (each accident)	\$2,000,000
Bodily Injury by Disease (policy limit)	\$2,000,000
Bodily Injury by Disease (each employee)	\$2,000,000

Conditions of Quote, Coverages, or Binding:

- Self-Annual Payroll Audit

Exclusions include, but not limited to:

- Compliance with applicable trade sanction laws

Claims Reporting

- Report all Workers' Compensation First Report of Injury Forms to claims@claimsassoc.com within 7 days.

ASB Workers' Compensation Fund Service Providers:

- Associated School Boards of South Dakota
 - Fund Administrator
- Claims Associates, Inc.
 - Third-Party Claims Administrator
- Arthur J. Gallagher & Company
 - Property/Liability & Workers' Compensation Broker
- Safety National Casualty Corporation
 - Reinsurance Carrier
- AON Global Risk Solutions
 - Actuarial services
- Eide Bailly, LLP
 - Certified Public Accounting Firm
- Gallagher Bassett
 - Loss Control Specialists
- BankWest Trust Department
 - Investment Manager

ASB WORKERS' COMPENSATION FUND SOUTH DAKOTA MEMBERSHIP 2023-2024

ABERDEEN SCHOOL DISTRICT #6-1
ANDES CENTRAL SCHOOL DISTRICT #11-1
ARMOUR SCHOOL DISTRICT #21-1
BELLE FOURCHE SCHOOL DISTRICT #9-1
BENNETT COUNTY SCHOOL DISTRICT #3-1
BIG STONE CITY SCHOOL DISTRICT #25-1
BISON SCHOOL DISTRICT #52-1
BRITTON-HECLA SCHOOL DISTRICT #45-4
CANTON SCHOOL DISTRICT #41-1
COLOME CONSOLIDATED SCHOOL DISTRICT #59-3
CORNBELT EDUCATIONAL COOP #60201
CUSTER SCHOOL DISTRICT #16-1
DELL RAPIDS SCHOOL DISTRICT #49-3
DE SMET SCHOOL DISTRICT #38-2
DEUEL SCHOOL DISTRICT #19-4
DOLAND SCHOOL DISTRICT #56-2
DUPREE SCHOOL DISTRICT #64-2
EAGLE BUTTE SCHOOL DISTRICT #20-1
EDGEMONT SCHOOL DISTRICT #23-1
EDMUNDS CENTRAL SCHOOL DISTRICT #22-5
EUREKA SCHOOL DISTRICT #44-1
FAITH SCHOOL DISTRICT #46-2
FREDERICK AREA SCHOOL DISTRICT #6-2
GETTYSBURG SCHOOL DISTRICT #53-1
GROTON AREA SCHOOL DISTRICT #6-6
HAAKON SCHOOL DISTRICT #27-1
HERREID SCHOOL DISTRICT #10-1
HIGHMORE-HARROLD SCHOOL DISTRICT #34-2
HITCHCOCK-TULARE SCHOOL DISTRICT #56-6
HURON SCHOOL DISTRICT #2-2
IPSWICH SCHOOL DISTRICT #22-6
JAMES VALLEY EDUCATION COOPERATIVE #17202
KADOKA AREA SCHOOL DISTRICT #35-2
KIMBALL SCHOOL DISTRICT #7-2
LAKE PRESTON SCHOOL DISTRICT #38-3
LANGFORD AREA SCHOOL DISTRICT #45-5
LEMMON SCHOOL DISTRICT #52-4
LEOLA SCHOOL DISTRICT #44-2
LYMAN SCHOOL DISTRICT #42-1
MCINTOSH SCHOOL DISTRICT #15-1
MEADE SCHOOL DISTRICT #46-1
MILLER SCHOOL DISTRICT #29-4
MITCHELL SCHOOL DISTRICT #17-2
NEW UNDERWOOD SCHOOL DISTRICT #51-3
NORTH CENTRAL SPECIAL EDUC. COOP #06201
NORTHWEST AREA SCHOOLS EDUC. COOP #52201
NORTHWESTERN AREA SCHOOL DISTRICT #56-7
OELRICHS SCHOOL DISTRICT #23-3
OGLALA LAKOTA COUNTY SCHOOL DISTRICT #65-1
PARKER SCHOOL DISTRICT #60-4
PARKSTON SCHOOL DISTRICT #33-3
REDFIELD SCHOOL DISTRICT #56-4
SELBY AREA SCHOOL DISTRICT #62-5
SIOUX VALLEY SCHOOL DISTRICT #5-5
SISSETON SCHOOL DISTRICT #54-2
SOUTH CENTRAL SCHOOL DISTRICT #26-5
SPEARFISH SCHOOL DISTRICT #40-2
STANLEY COUNTY SCHOOL DISTRICT #57-1
TIMBER LAKE SCHOOL DISTRICT #20-3
TRIPP-DELMONT SCHOOL DISTRICT #33-5
WALL SCHOOL DISTRICT #51-5
WARNER SCHOOL DISTRICT #6-5
WATERTOWN SCHOOL DISTRICT #14-4
WAUBAY SCHOOL DISTRICT #18-3
WESSINGTON SPRINGS SCHOOL DISTRICT #36-2
WILMOT SCHOOL DISTRICT #54-7

ASSOCIATED SCHOOL BOARDS
PROTECTIVE TRUST
WORKERS' COMPENSATION FUND
PARTICIPATION AGREEMENT

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

WHEREAS, the DISTRICT is desirous of receiving workers' compensation coverage as provided in this Agreement and the benefit of coverage under contracts of reinsurance secured by the ASB Protective Trust (hereinafter "TRUST") for all MEMBER DISTRICTS, their officers and employees; and

WHEREAS, the ASB PROTECTIVE TRUST WORKERS' COMPENSATION FUND exists for the purpose of providing workers' compensation coverage for MEMBER DISTRICTS;

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, workers' compensation, and liability coverage for school districts and their officers and employees in South Dakota (hereinafter referred to as "Trust").
- 1.3. Covered Party -- The MEMBER DISTRICT identified herein.
- 1.4. Employee -- Any full-time, part-time, or temporary individual, whether compensated or not, who provides or provided services authorized by the DISTRICT at the direction and control of the DISTRICT or its authorized agent. The term does not include independent contractors or an independent contractor's officers, employees, and agents. The term does include an enrolled student performing assigned duties without pay in an approved vocational education program away from the school premises as provided in SDCL 62-1-4.1.
- 1.5. Claims Administrator -- Claims Associates, Inc., P.O. Box 1898, Sioux Falls, South Dakota 57101, Telephone: (605) 333-9810, FAX (605) 333-9835.
- 1.6. Trust Administrator -- Associated School Board of South Dakota, 306 East Capitol, Pierre, South Dakota 57501, Telephone (605) 773-2500, FAX (605) 773-2501.
- 1.7. Master Contract -- Any "stop loss," "reinsurance," "insurance contract," "excess coverage contract," "endorsement," or other indemnification agreement approved by the ASB Protective Trust Board of Trustees (hereinafter "Trust Board") providing workers' compensation coverage for all or part of the liability identified herein.

1.8. Work Related Injury, Personal Injury, Compensable Injury, or Claim -- These terms have the same meaning as defined in SDCL title 62.

1.9. Workers' Compensation -- The rights, obligations, limitations, and responsibilities set out in SDCL title. 62 as it may from time-to-time be amended.

1.10. Settlement Amount -- An amount expressed in dollars or otherwise for which a claimant is willing to settle a claim.

1.11. Defense Costs – All costs incurred by the Trust in defense or prosecution of a claim or action, including attorney's fees.

SECTION II COVERAGE

In consideration of timely payment of the MEMBER'S contribution, as described in this Participation Agreement, the TRUST agrees:

2.1. The TRUST will pay promptly when due those sums that the MEMBER becomes legally obligated to pay on account of compensable injuries or damages to an employee up to the limits set forth herein and only as required by the workers' compensation laws of South Dakota.

2.2. The TRUST will defend any proceeding against the MEMBER seeking compensation on account of a work-related injury and will defend or prosecute any such action before the Department of Labor involving the MEMBER, and any appeal therefrom, either seeking compensation or alleging damages or injuries, even though such claim or proceeding is determined to be groundless, false, or fraudulent. The TRUST may make such investigation, negotiation, and settlement of any claim or action as it deems appropriate and expedient, subject to approval by the MEMBER. Should the MEMBERS governing board refuse to approve such settlement, such MEMBER will be solely and individually liable for any amount, ultimately awarded, including defense costs above the settlement amount, as a result of such claim, and such MEMBER shall indemnify and hold the TRUST harmless for any such amount in excess of the Settlement Amount.

2.3. The TRUST will pay all expenses incurred by the TRUST, all costs taxed against a MEMBER in an administrative proceeding, and all interest accruing after entry of judgment, until the TRUST has paid, tendered payment, or deposited in the court all or part of such judgment that does not exceed the limits of liability established herein. This obligation is subject to the limitations of Section 2.1 and 2.2.

2.4. Benefits payable by the TRUST pursuant to this Participation Agreement apply only to losses and liability arising under the workers' compensation laws and personal injury for claims within the scope of coverage as defined in the Master Contract while the MEMBER is a participating member of the ASB Protective Trust Workers' Compensation Fund and coverage provided pursuant to this Participation Agreement is in effect.

In addition to claims filed during the coverage period, a notice of injury served upon a MEMBER pursuant to SDCL ch. 3-21 or SDCL 62-7-10 and received from the MEMBER by the TRUST prior to the expiration of coverage under this Agreement constitutes a claim under this Agreement.

2.5. Any change in classification, rates, or rating plans that is or becomes applicable to any coverage under this Participation Agreement as a result of a change in any law regulating such coverage or because of any amendment affecting the benefits provided by the Participation Agreement shall commence upon the effective date thereof. Each MEMBER shall maintain records of all information necessary for handling of any claim, suit, or contribution computation of a MEMBER, and shall provide such information to the TRUST at any such time during or after the benefit period as the TRUST may direct.

SECTION III TRUST OBLIGATIONS

The Trust Administrator 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 and shall include the following authority and obligations, including but not limited to: - The Trust Administrator 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 and shall include the following authority and obligations, including but not limited to:

- 3.1. Day-to-day member communications.
- 3.2. Board and committee management, meeting management, communication and reporting.
- 3.3. Management of pool documents in accordance with pool record retention requirements (bylaws, board policies, meeting minutes, insurance policies, MOC's membership lists, member communications).
- 3.4. Reviewing and approving certificates of insurance (both incoming and outgoing).
- 3.5. Contract review.
- 3.6. Loss control services, training and advice.
- 3.7. Member services (newsletters, annual reports, education and marketing material, web site, etc.).
- 3.8. Marketing to potential new members (as determined by board policy).
- 3.9. Budget process management and communication.

- 3.10. Financial management and reporting.
- 3.11. Communication with and documentation for regulators.
- 3.12. Coordination of the annual financial audit and annual or semi-annual actuarial studies.
- 3.13. Claims management.
- 3.14. Claims review and litigation management.
- 3.15. Management of external service providers such as the auditor, actuary, broker, TPA and any outsourced services.
- 3.16. Monitor and address emerging risks and exposures to pool and members.
- 3.17. Technology solutions for pool operations and member communications and service.
- 3.18. Answers to coverage questions with input from insurers or reinsurers as appropriate.
- 3.19. Consulting – loss control, claims reviews, ERM, new services/coverages, staffing model.
- 3.20. Strategic/Succession planning.
- 3.21. Providing such reports and documentation as required by any Master Contract.
- 3.22. Preparing and filing reports required by the state or federal government or agencies thereof.
- 3.23. Providing or contracting for loss control and developing and disseminating loss control programs to reduce losses to the MEMBERS.
- 3.24. Establishing rating structures to determine MEMBER contributions, providing billing to MEMBERS for contributions and notices regarding contribution changes and assessments.
- 3.25. Developing programs for TRUST expansion.
- 3.26. Providing billing, collection, and auditing of contributions to the TRUST by MEMBERS.
- 3.27. Evaluation and establishment of reserves for claims.
- 3.28. Investigation and adjusting of claims.
- 3.29. Auditing claim losses and expenses incurred prior to making final payment.
- 3.30. Making payment of compensable property or liability benefits as required under the Master Contract, the Bylaws, and this Participation Agreement.

- 3.31. Negotiating settlements with claimants as authorized or approved pursuant to policies of the Trust Board and securing appropriate releases upon settlement of claims.
- 3.32. Selecting and monitoring attorneys employed to defend claims or suits against the MEMBER or the TRUST.
- 3.33. Monitoring claims for subrogation and undertaking recovery efforts when economically feasible and advisable.
- 3.34. 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.
- 3.35. Monitoring frequency and severity of claims' performance of MEMBERS.
- 3.36. 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.
- 3.37. Determining proposed distributions to MEMBERS of excess reserves, if any, based upon the Fund's performance or such criteria as may be established subject to approval and adoption by the TRUST.
- 3.38. Retaining and authorizing outside legal and financial assistance.
- 3.39. Making payment of compensable benefits as required under the workers' compensation laws, the Master Contract or the Bylaws.
- 3.40. Providing such reports and documentation as required by any Master Contract.
- 3.41. Preparing and filing reports required by the state or federal government or agencies thereof.
- 3.42. Providing or contracting for loss control education and developing and disseminating a loss control program.
- 3.43. Establishing rating structures to determine MEMBER contributions, providing billing to MEMBERS for contributions and notices regarding contribution changes and assessments.
- 3.44. Securing 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 TRUST retention for claims in each area of coverage.
- 3.45. Developing programs for TRUST expansion.

- 3.46. Determining and recommending to the Fund's Board, the distribution of excess reserves, if any, to MEMBERS, based upon performance of the Fund.
- 3.47. Providing billing, collection, and auditing of contributions to the TRUST by MEMBERS.
- 3.48. Retaining and authorizing outside legal and financial assistance and services.
- 3.49. Costs for administrative services provided to MEMBERS will be based upon a percentage of contribution earned and to include local agent fees, if any, and will be charged to the loss fund in an amount not to exceed ten percent (10%) per coverage year.

SECTION IV MISCELLANEOUS

4.1. MEMBERS Contribution. MEMBERS contributions will be individual, based upon the budgeted employee payroll. Annually, at the anniversary of the contract, an audit will be conducted to determine the actual payroll and contribution for each MEMBER. Adjustments to projected contributions will be based upon the audit.

Contribution rates approved by the TRUST will be used to determine standard contributions for each MEMBER. In a MEMBERS initial year, such MEMBERS experience modification, as established by the National Counsel of Compensation Insurance, will be used. If no modification rate has been established, the Claims Administrator will provide an experience modification factor.

4.2. New Member. Upon admission, a NEW MEMBER shall be required to maintain membership in the TRUST for a minimum period of three (3) consecutive years, unless the TRUST is terminated prior to the expiration of such period. Any NEW MEMBER that joins the TRUST after July 1, but before January 1 of the Fiscal Year, shall be allowed to apply that time in the TRUST toward the first year of their three (3) year initial commitment. Any NEW MEMBER that joins the TRUST between January 1 and June 30 of the Fiscal Year may not apply that time in the TRUST for the first year of the three (3) year initial commitment. A NEW MEMBER who fails to maintain membership in the TRUST for a minimum of three (3) consecutive years as set forth in this section shall pay to the TRUST, within thirty (30) days of TRUST membership termination, and amount equal to contribution applicable to the years of membership remaining in the TRUST.

4.3. Membership. Membership in the TRUST is subject to approval pursuant to policies of the Trust Board and subject to the provisions of the Trust Bylaws.

SECTION V
WRITTEN NOTICE AND TERMINATION

5.1. A MEMBER must provide board approved written notice of its intention of receiving bids or quotes for a subsequent coverage year, **no later than December 1 of any coverage year**. Once written notice is given by the MEMBER, the member will be considered a new add and shall require ASBPT board approval to rejoin the pool. Failure of a MEMBER to provide board approved written notice to obtain bids/quotes by **December 1** and of its decision not to renew coverage for a subsequent coverage year **no later than April 1 of any coverage year** shall constitute 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. A MEMBER that provides written notice of its intention to seek bids/quotes and then stays with the TRUST is not allowed to submit notice for bids/quote for another 36 months. If a MEMBER provides written notice of its intention to seek bids/quotes and then stays with the TRUST, and then within the next 24 months submits notice for bids/quotes, the MEMBER's participation in the Trust shall terminate at the end of the coverage year then in effect and the MEMBER shall pay to the TRUST, as liquidated damages pursuant to SDCL 53-9-5, an amount equal to contribution applicable to the months of membership remaining in the TRUST. A MEMBER that provides written notice of its decision not to renew coverage and leaves the TRUST, or whose membership is terminated as set forth in this section, is not allowed to rejoin the TRUST for the consecutive 24 months.

5.2. A MEMBER may be terminated from membership as set forth in the Trust Bylaws. In addition, failure or refusal of a MEMBER to cooperate, participate, and assist in the defense of a claim or proceeding against the MEMBER shall constitute grounds for termination of membership, subject to review by the Trust Board. Failure to cooperate, participate, and assist in the defense of any claim shall also void coverage if such failure to cooperate is not rectified upon written notice.

SECTION VI
ENTIRE AGREEMENT

6.1. This Participation Agreement, together with the Trust Fund Bylaws, the applicable Master Contracts, if any, as limited by SDCL tit. 62, constitute the entire agreement between the parties and may not be changed or altered, except in writing approved by all signatories to this Participation Agreement

6.2. This Participation Agreement shall be construed under the laws of the State of South Dakota, not including the conflict of law provisions as enunciated by the South Dakota Supreme Court or enacted by the Legislature.

SECTION VII
MEMBERS OBLIGATIONS

Each MEMBER agrees to be bound by all of the terms of the Trust Bylaws, as amended from time to time, and to abide by the rules, regulations, and policies promulgated by the Trust Board for administration of the TRUST. In addition, each MEMBER shall:

7.1. When a work-related injury to an employee covered by this Participation Agreement occurs, the MEMBER shall IMMEDIATELY complete the EMPLOYER'S First Report of Injury form, promulgated by the South Dakota Department of Labor, and file the form with the Department of Labor and provide a copy to the Claims Administrator. Failure of the EMPLOYER to provide First Report of Injury as required by this Section and SDCL 62-6-2 shall void coverage under this Participation Agreement as to such injury.

7.2. Provide employees with a form for notifying the EMPLOYER of the occurrence of an injury. The EMPLOYER shall notify all employees, in a manner calculated to come to their attention, of the requirement that the employee provide notice to the EMPLOYER of work-related injury within three (3) business days after its occurrence. **Failure of the employee to give the notice may result in no coverage under the workers' compensation laws of South Dakota.**

7.3. Initiate and maintain a loss control program and follow recommendations of the TRUST, its Claims Administrator, Trust Administrator, and Risk Manager, if any, to promote the general welfare of its employees and the safety of their working environment. Each MEMBER remains solely and individually responsible for all decisions concerning its safety program and practices, and may not rely upon the evaluation of TRUST agents, if any, in making final decisions concerning the MEMBER'S safety programs and risk management practices.

7.4. If any notice of employee injury or claim is made or other proceeding is brought against the MEMBER under the workers' compensation laws of South Dakota, the MEMBER shall IMMEDIATELY transmit to the Claims Administrator and Trust Administrator any demand, notice of injury, summons, or other process received, and prepare such claim forms as may be required by the workers' compensation laws of South Dakota, the TRUST, or the Claims Administrator to process such proceeding, or claim. Failure of the MEMBER to provide a copy of any summons or complaint or a petition for or notice of hearing before the South Dakota Department of Labor received by the MEMBER within ten (10) days of service thereof, or within ten (10) days of admitting service thereto, shall void coverage under this Participation Agreement.

7.5. The MEMBERS shall cooperate with the TRUST and the assigned attorneys and, upon request, shall attend hearings and trials and shall assist in effectuating and implementing settlements, securing and giving evidence, providing documents, gaining the attendance of witnesses, and otherwise fully cooperate in the conduct of hearings or proceedings. The MEMBER shall not, except at its own cost which shall not be reimbursed by the TRUST, voluntarily make any payment, assume any obligation, or incur any expense other than for immediate emergency medical services, unless such expenditure shall have been preapproved by the TRUST, the assigned attorney, or the Claims Administrator.

7.6. Each MEMBER shall make prompt payment of all contributions and assessments as required by this Participation Agreement and the Trust Bylaws.

7.7. The MEMBER does hereby appoint the Trust Administrator as agent to act on the MEMBERS behalf to file reports, confess judgment, or to arrange for payment of claims,

medical expenses, and other costs and to do all things required or necessary insofar as they affect the MEMBERS liability, subject to Section 2.2 herein. The MEMBER hereby appoints the attorney designated by the Executive Director of the ASBSD or his designee to represent the MEMBER in any proceeding for which a defense or prosecution is undertaken.

7.8. The MEMBER agrees that upon payment of any loss or the incurring of any expense or liability by the TRUST under this Participation Agreement, the TRUST is subrogated to the extent of such payment or liability to all rights of the MEMBER against any person or other entity legally responsible for such damages or losses. The MEMBER agrees to execute a specific subrogation agreement as necessary, and to render all reasonable assistance, other than pecuniary assistance, to affect recovery under the rights of subrogation transferred herein and shall refrain from any act or omission which will likely impair such right of subrogation.

7.9. The Trust Board, its designee, the Claims Administrator, or the Trust Administrator, and any of their agents, servants, employees, or attorneys are permitted at all reasonable times to inspect the MEMBERS workplaces, plants, works, machinery, buildings, records, and appliances relating in any manner to the subject of this Participation Agreement, and shall be permitted, within three (3) years following closure of any claim, to inspect any contract, document, or other record which shows or would tend to show or verify contributions which are payable or were paid to the TRUST. So long as a claim is pending against a MEMBER and being defended by the Trust, the obligation to cooperate and assist in the defense shall remain in force regardless of whether membership continues.

7.10. The MEMBER by adoption of this Participation Agreement; hereby elects to treat officials of the district, including school board members, as employees per SDCL 62-1-2 for the purposes of workers' compensation coverage while in the performance and scope of their duties.

SECTION VIII MAXIMUM COVERAGE LIMITATIONS

As to any COMPENSABLE INJURY under this Agreement as specified in the Master Contract, pursuant to the workers' compensation laws of South Dakota, the maximum liability undertaken by the TRUST for any single occurrence is based on required statutory South Dakota workers' compensation benefits.

8.1. For employer liability, when an election is made by an employee under SDCL 62-4-38 or otherwise, Two Million Dollars (\$2,000,000).

SECTION IX CONTRIBUTION AND TERM OF COVERAGE

The projected contribution payable for coverage under this Participation Agreement is as set forth in the Adoption and Renewal Motion, attached hereto and incorporated herein by this reference, if duly executed by an authorized representative of the TRUST and approved by the MEMBERS governing board. Coverage is on an annual basis or such shorter period of time as

specifically identified in said Adoption and Renewal Motion. Coverage shall be deemed continuing unless terminated as provided herein.

IN WITNESS WHEREOF, the Superintendent hereby acknowledges participation in the Workers' Compensation 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

ASSOCIATED SCHOOL BOARDS
PROTECTIVE TRUST
**WORKERS' COMPENSATION FUND
ADOPTION AND RENEWAL MOTION**

BE IT HEREBY MOVED AND RESOLVED by the Huron School District School Board of the Huron School District, acting 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 ASB Workers' Compensation Trust 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 actions taken under prior versions of the ASB Protective Trust Joint Powers Agreement and Bylaws and ASB Workers' Compensation Trust 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 approved at the time of its adoption.

BE IT FURTHER MOVED AND RESOLVED that the Superintendent and Business Manager are hereby authorized to execute, on behalf of the District, the present ASB Workers' Compensation 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 Workers' Compensation Fund shall be submitted to the Board for approval prior to execution by the Superintendent and Business Manager.

IT IS FURTHER MOVED AND RESOLVED that coverage provided in the ASB Workers' Compensation Fund Participation Agreement shall extend from 12:01 a.m. CST, July 1, 2024, to 12 midnight CST, June 30, 2025. The projected contribution required for such coverage as provided in the ASB Workers' Compensation Fund Participation Agreement is \$158,174.

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 Board 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