

**Mission:** *To develop lifelong learners through effective teaching in a safe and caring environment.*

**Vision:** *Educational excellence for every child – setting the standard others aim for.*

**AGENDA**  
**BOARD OF EDUCATION – SPECIAL MEETING**  
**Instructional Planning Center/Huron Arena**  
**April 25, 2016**  
**5:30 p.m.**

1. **Call to order**

2. **Roll call**

3. **Pledge of Allegiance**

4. **Adoption of the Agenda**

5. **Dates to Remember**

|          |  |
|----------|--|
| April 25 | Second Meeting / Negotiations / IPC                      |
| May 4    | Early Release  |
| May 9    | Board Meeting 5:30 P.M. – IPC                            |
| May 23   | Board Meeting 5:30 P.M. – IPC                            |
| May 24   | Athletic Awards Program 7:00 P.M. HHS Auditorium         |
| May 25   | Baccalaureate 8:00 P.M. Huron Arena                      |
| May 26   | 8 <sup>th</sup> Grade Promotion 7:00 P.M. HHS Auditorium |
| May 27   | Last Day of Classes / Early Release                      |
| May 29   | Graduation 2:00 P.M. Huron Arena                         |
| May 30   | Memorial Day Holiday                                     |
| May 31   | Teacher Checkout   |

6. **Community Input on Items Not on the Agenda**

7. **CONSENT AGENDA**

**The Superintendent of Schools recommends approval of the following:**

a) **Board Approval of New Hires**

As was mentioned previously, classified personnel and substitute teachers/classroom aides must be approved in order to be covered by our workers' compensation plan.

1) Terry Regnier / HHS Technology Department / \$32,212

b) **Contracts for Board Approval**

1) Kelby Van Wyk / 3<sup>rd</sup> Grade Teacher – Madison Elem / \$37,860

2) Erin Melson / Language Arts Teacher / HHS / \$36,187

3) Cassandra Timm / 3<sup>rd</sup> Grade Teacher – Madison Elem / \$36,187

c) **Resignations for Board Approval**

1) Haley Haagenson / Teacher @ Huron High School / 3 years

2) Catherine Ramsell / SPED Para-Educator @ Buchanan / 7 years

3) Betsy Meraz / ESL Para-Educator @ Huron Middle School / 2 years

d) **Consideration and Approval of the Bills**

1) Buhl's Laundry – Laundry - \$106.00

2) Northwestern Energy – Electricity & Heat - \$1,097.19

e) **Request Approval to go to Bids for the Vocational House Building for 2016-17**

f) **Permission to Bid Gas & Diesel for 2016-2017**

g) **Request to Open Music Honor Society Account**

Laura Petersen / Choral Director-Huron High School/ is seeking permission to create a Club Activity account for the new Tri-M Music Honor Society. Letter Attached.

**h) Intent to Apply for Grant Funding**

- |   |  |
|---|--|
| <p><b>1) Group Applying</b><br/>         Contact Person<br/>         Name of Award<br/>         Name of Funder<br/>         Amount to be Requested<br/>         Project Focus</p> <p><b>2) Group Applying</b><br/>         Contact Person<br/>         Name of Award<br/>         Name of Funder<br/>         Amount to be Requested<br/>         Project Focus</p> | <p><b>6-8<sup>th</sup> Sheltered Math Class</b><br/>         Lisa Kissner<br/>         SDAMLE "Awards of Excellence"<br/>         SD Association for Middle Level Education<br/>         \$500.00<br/>         ESL Student Store</p> <p><b>Huron Police Department</b><br/>         Nathan Benjamin<br/>         COPS Hiring Program<br/>         US Department of Justice<br/>         75% Officer Pay – 3 years<br/>         School Based Policing</p> |
|---|--|

(The consent agenda may be approved with one motion. However, if a board member wishes to separate an item for discussion, he may do so.)

**8. CELEBRATE SUCCESSES IN THE DISTRICT:  
CONGRATULATIONS:**

- **Food Service Team for Excellent Kitchen Health Inspections**  
 Buchanan, Madison, Washington, HMS, HHS, and Holy Trinity all received 100% ratings.

**THANK YOU TO:**

- **Tiger After-School students, parents, staff, Mr. Rex Sawvell, and Mrs. Beth Foss** for the 2<sup>nd</sup> Annual parent involvement night. The evening was a success and fun was had by all!

**9. REPORTS TO THE BOARD:**

- a) **Superintendent's Report**
  - Staffing Update
  - AdvancED Accreditation

**10. OLD BUSINESS**

a)

**11. NEW BUSINESS**

- a) **Workers' Compensation Agreement 2016-2017**  
 School Board Members covered
- b) **Property Liability Insurance Agreement Renewal 2016-2017**
  - Designate Rick Long, American Trust Insurance

**12. EXECUTIVE SESSION**

1-25-2 Executive or closed meetings may be held for the sole purpose of:  
(4) Preparing for contract negotiations or negotiating with employees or employee representatives.

**13. ADJOURNMENT**

Huron School District  
New Hire Justification

Date: 4-7-16

**Applicant Information**

Applicant Name: Terry Regnier

Address: 1416 Iowa Ave SE

Phone: 605-461-2481

Education: Associates Degree

Experience: Basic tech troubleshooting  
Experience with iPads and Macs

References: Gary Goeller, Adam Reilly, Angie Thomas

**Reason for New Hire**

New Position:

Replacement: Franco Fiorini Resignation

**Position Information**

Department: Technology Dept

Position: HS Helpdesk

Supervisor: Roger Ahlers

Responsibilities: Primary support for 1-1 iPad program

Hours: 7:30-4:30 p.m. 40 hrs / week 12 month

**Hiring Information**

Wages: Step 3 of 12 month classified salary schedule

Classification: Classified

Wage Justification: Salary Schedule

Start Date: April 29, 2016

Requested by: Roger Ahlers

(Administrator)

**TEACHER'S CONTRACT**  
**Huron School District No. 2-2, Huron, South Dakota**

**Kelby Van Wyk**

**April 1, 2016**

**YOU ARE HEREBY OFFICIALLY NOTIFIED**, that you have been elected as a **Teacher** in the Huron School District No. 2-2, whose address is City of Huron on the annual salary basis of **\$ 37860** for the school term, or the remaining part thereof, of the designated number of teaching days, inclusive of days arranged for pre-school planning, beginning **8/22/2016** and subject to the calendar, or modifications of the same, as adopted by the Board of Education. The salary is to be paid the twentieth day of each of the twelve calendar months.

Your election is subject to the school laws of the State of South Dakota and to the salary schedule and contractual elements rules and regulations of the Board of Education of the Huron School District No. 2-2, which are hereby by reference, incorporated in and made a part of this contract as though set forth herein at length, subject to the right of said Board to terminate the contract for cause, to be determined upon by the Board.

It is further contracted and agreed that your failure to complete the term of teaching prescribed herein for any cause, including but not limited to dismissal or resignation, constitutes a financial damage to the Huron School District No. 2-2 and that from the nature of the case it might be impractical or difficult to fix the actual damage. **THEREFORE**, it is understood and agreed that your failure to complete the term provided herein shall result in the following liquidated damages: failures occurring between the date signed and approved by the School Board through June 30 for the ensuing year, damages shall be assessed at \$1,000.00. For breaking a contract July 1 through July 31, damages shall be assessed at \$2,000.00 and breaking of contract August 1 and for the duration of the first semester, damages shall be assessed at \$3,000.00. Damages will be assessed at \$1,500.00 for breaking of a contract anytime during the 2<sup>nd</sup> semester. The Board reserves the right to request the Department of Education to suspend the employee's certification for one year in lieu of monetary damages in accordance with SDCL 13-42-9. Teachers who are not full-time employees of the District shall be assessed damages at a percentage which matches their percent of employment.

It is further understood and agreed that resignations shall not become effective until approved by the Board of Education at the next meeting following receipt of said resignation. Further, it is hereby agreed that you will pay to the Huron School District No. 2-2, or the Huron School District No. 2-2 will withhold or appropriate from any monies owed by them to you, and you hereby authorize such withholding or appropriation, the appropriate sum herein above set forth as liquidated damages due to your failure to complete said term.

This agreement becomes a binding contract when signed by the teacher and the Board of Education.

BA+15  
Hired 2016-17 w/BA and 1 year of tchg experience;

Agreeing to this contract includes the following: Teachers new to the District are expected to work an additional 5 days beginning August 22. During this time, the teacher will receive appropriate training in District programs, and will have time to become adequately prepared for the new school year.

For those electing the Wellness Benefit, an additional \$500 will be paid in September. The benefit is NOT reflected in the contract total.

SCHOOL DISTRICT NO. 2-2 OF THE CITY OF  
HURON, BEADLE COUNTY, SOUTH DAKOTA

ATTEST:

.....  
Business Manager of the School District

By .....  
Chairman of School District Board

TO THE BOARD OF EDUCATION OF THE HURON SCHOOL DISTRICT NO. 2-2  
CITY OF HURON, BEADLE COUNTY, SOUTH DAKOTA

I hereby accept the position mentioned in the foregoing contract of hiring in the Public Schools of Huron, South Dakota, at the salary and upon and under the terms and conditions of the above and foregoing contract and have carefully read said contract and am fully informed as to the contents. I agree to attend such pre-school planning days as are scheduled exclusive of the designated number of teaching days. "I clearly understand that it is my responsibility to be fully certified with the State of South Dakota for the duration of this contract. I accept that my pay will cease on October 1, and my employment may be terminated or suspended without pay until such time that I meet the certification requirements of the job."

Witness my hand this 10<sup>th</sup> day of April, 2016

Witness: Nalsee Van Wyk 4/10/2016

Sign here: Kelby Van Wyk  
Teacher

**HURON PUBLIC SCHOOLS**  
 Huron, South Dakota  
**PERSONNEL DATA SUMMARY**

1. Name Kelby Van Wyk  
Present Address 29847 483 Ave – Hawarden, IA 51023  
Position Applied For Elementary Teacher – Madison 2-3 Center

2. Preparation and Certification:

|                         | <u>Name of School</u>             | <u>Year/Degree</u> |
|-------------------------|-----------------------------------|--------------------|
| College:      BS Degree | <u>Dakota Wesleyan University</u> | <u>2015/BA</u>     |
| MA Degree               | _____                             | _____              |
| Other                   | _____                             | _____              |

3. Teaching Experience - (list the last two positions)

| <u>Name of School</u>              | <u>How Long/Years</u> | <u>Grades/Subjects</u>      |
|------------------------------------|-----------------------|-----------------------------|
| <u>Beresford Elementary School</u> | <u>1 year</u>         | <u>3<sup>rd</sup> Grade</u> |

4. **Base Salary:**      \$ 37,860      **Teaching Assignment:**      3<sup>rd</sup> Grade-Madison Elem  
**Extra Duty:**      \_\_\_\_\_ Ex Duty Assignment      \_\_\_\_\_  
**Total Salary:**      \$ 37,860

Hired 2016-17 w/BA – 1 year teaching experience

**TEACHER'S CONTRACT**  
**Huron School District No. 2-2, Huron, South Dakota**

**Erin Melson**

**April 20, 2016**

**YOU ARE HEREBY OFFICIALLY NOTIFIED**, that you have been elected as a **Teacher** in the Huron School District No. 2-2, whose address is City of Huron on the annual salary basis of **\$ 36187** for the school term, or the remaining part thereof, of the designated number of teaching days, inclusive of days arranged for pre-school planning, beginning **08/22/2016** and subject to the calendar, or modifications of the same, as adopted by the Board of Education. The salary is to be paid the twentieth day of each of the twelve calendar months.

Your election is subject to the school laws of the State of South Dakota and to the salary schedule and contractual elements rules and regulations of the Board of Education of the Huron School District No. 2-2, which are hereby by reference, incorporated in and made a part of this contract as though set forth herein at length, subject to the right of said Board to terminate the contract for cause, to be determined upon by the Board.

It is further contracted and agreed that your failure to complete the term of teaching prescribed herein for any cause, including but not limited to dismissal or resignation, constitutes a financial damage to the Huron School District No. 2-2 and that from the nature of the case it might be impractical or difficult to fix the actual damage. **THEREFORE**, it is understood and agreed that your failure to complete the term provided herein shall result in the following liquidated damages: failures occurring between the date signed and approved by the School Board through June 30 for the ensuing year, damages shall be assessed at \$1,000.00. For breaking a contract July 1 through July 31, damages shall be assessed at \$2,000.00 and breaking of contract August 1 and for the duration of the first semester, damages shall be assessed at \$3,000.00. Damages will be assessed at \$1,500.00 for breaking of a contract anytime during the 2<sup>nd</sup> semester. The Board reserves the right to request the Department of Education to suspend the employee's certification for one year in lieu of monetary damages in accordance with SDCL 13-42-9. Teachers who are not full-time employees of the District shall be assessed damages at a percentage which matches their percent of employment.

It is further understood and agreed that resignations shall not become effective until approved by the Board of Education at the next meeting following receipt of said resignation. Further, it is hereby agreed that you will pay to the Huron School District No. 2-2, or the Huron School District No. 2-2 will withhold or appropriate from any monies owed by them to you, and you hereby authorize such withholding or appropriation, the appropriate sum herein above set forth as liquidated damages due to your failure to complete said term.

This agreement becomes a binding contract when signed by the teacher and the Board of Education.

BA  
Hired 2016-2017 w/BA and 0 years of teaching experience;

Agreeing to this contract includes the following: Teachers new to the District are expected to work an additional 5 days beginning August 22. During this time, the teacher will receive appropriate training in District programs, and will have time to become adequately prepared for the new school year.

For those electing the Wellness Benefit, an additional \$500 will be paid in September. The benefit is NOT reflected in the contract total.

SCHOOL DISTRICT NO. 2-2 OF THE CITY OF  
HURON, BEADLE COUNTY, SOUTH DAKOTA

ATTEST:

.....  
Business Manager of the School District

By .....  
Chairman of School District Board

TO THE BOARD OF EDUCATION OF THE HURON SCHOOL DISTRICT NO. 2-2  
CITY OF HURON, BEADLE COUNTY, SOUTH DAKOTA

I hereby accept the position mentioned in the foregoing contract of hiring in the Public Schools of Huron, South Dakota, at the salary and upon and under the terms and conditions of the above and foregoing contract and have carefully read said contract and am fully informed as to the contents. I agree to attend such pre-school planning days as are scheduled exclusive of the designated number of teaching days. "I clearly understand that it is my responsibility to be fully certified with the State of South Dakota for the duration of this contract. I accept that my pay will cease on October 1, and my employment may be terminated or suspended without pay until such time that I meet the certification requirements of the job."

Witness my hand this 20 day of April, 2016

Witness: Dolly Venables

Sign here: Erin Melson  
Teacher

**HURON PUBLIC SCHOOLS**  
Huron, South Dakota  
**PERSONNEL DATA SUMMARY**

1. Name Erin Melson  
Present Address 2225 9<sup>th</sup> St #5 – Brookings, SD 57006  
Position Applied For Language Arts Teacher – Huron High School

2. Preparation and Certification:
- |                    | <u>Name of School</u> | <u>Year/Degree</u> |
|--------------------|-----------------------|--------------------|
| College: BS Degree | <u>SDSU</u>           | <u>2016/BA</u>     |
| MA Degree          | _____                 | _____              |
| Other              | _____                 | _____              |

3. Teaching Experience - (list the last two positions)
- | <u>Name of School</u> | <u>How Long/Years</u> | <u>Grades/Subjects</u> |
|-----------------------|-----------------------|------------------------|
| _____                 | _____                 | _____                  |

4. **Base Salary:** \$36,187 **Teaching Assignment:** Language Arts Teacher – HHS  
**Extra Duty:** \_\_\_\_\_ **Ex Duty Assignment** \_\_\_\_\_  
**Total Salary:** \$36,187

**TEACHER'S CONTRACT**  
**Huron School District No. 2-2, Huron, South Dakota**

**Cassandra Timm**

**April 14, 2016**

**YOU ARE HEREBY OFFICIALLY NOTIFIED**, that you have been elected as a **Teacher** in the Huron School District No. 2-2, whose address is City of Huron on the annual salary basis of **\$ 36187** for the school term, or the remaining part thereof, of the designated number of teaching days, inclusive of days arranged for pre-school planning, beginning **8/22/2016** and subject to the calendar, or modifications of the same, as adopted by the Board of Education. The salary is to be paid the twentieth day of each of the twelve calendar months.

Your election is subject to the school laws of the State of South Dakota and to the salary schedule and contractual elements rules and regulations of the Board of Education of the Huron School District No. 2-2, which are hereby by reference, incorporated in and made a part of this contract as though set forth herein at length, subject to the right of said Board to terminate the contract for cause, to be determined upon by the Board.

It is further contracted and agreed that your failure to complete the term of teaching prescribed herein for any cause, including but not limited to dismissal or resignation, constitutes a financial damage to the Huron School District No. 2-2 and that from the nature of the case it might be impractical or difficult to fix the actual damage. **THEREFORE**, it is understood and agreed that your failure to complete the term provided herein shall result in the following liquidated damages: failures occurring between the date signed and approved by the School Board through June 30 for the ensuing year, damages shall be assessed at \$1,000.00. For breaking a contract July 1 through July 31, damages shall be assessed at \$2,000.00 and breaking of contract August 1 and for the duration of the first semester, damages shall be assessed at \$3,000.00. Damages will be assessed at \$1,500.00 for breaking of a contract anytime during the 2<sup>nd</sup> semester. The Board reserves the right to request the Department of Education to suspend the employee's certification for one year in lieu of monetary damages in accordance with SDCL 13-42-9. Teachers who are not full-time employees of the District shall be assessed damages at a percentage which matches their percent of employment.

It is further understood and agreed that resignations shall not become effective until approved by the Board of Education at the next meeting following receipt of said resignation. Further, it is hereby agreed that you will pay to the Huron School District No. 2-2, or the Huron School District No. 2-2 will withhold or appropriate from any monies owed by them to you, and you hereby authorize such withholding or appropriation, the appropriate sum herein above set forth as liquidated damages due to your failure to complete said term.

This agreement becomes a binding contract when signed by the teacher and the Board of Education.

BS  
Hired 2016-2017 w/BS and 0 years of teaching experience.;

Agreeing to this contract includes the following: Teachers new to the District are expected to work an additional 5 days beginning August 22. During this time, the teacher will receive appropriate training in District programs, and will have time to become adequately prepared for the new school year.

For those electing the Wellness Benefit, an additional \$500 will be paid in September. The benefit is NOT reflected in the contract total.

SCHOOL DISTRICT NO. 2-2 OF THE CITY OF  
HURON, BEADLE COUNTY, SOUTH DAKOTA

ATTEST:

.....  
Business Manager of the School District

By .....  
Chairman of School District Board

TO THE BOARD OF EDUCATION OF THE HURON SCHOOL DISTRICT NO. 2-2  
CITY OF HURON, BEADLE COUNTY, SOUTH DAKOTA

I hereby accept the position mentioned in the foregoing contract of hiring in the Public Schools of Huron, South Dakota, at the salary and upon and under the terms and conditions of the above and foregoing contract and have carefully read said contract and am fully informed as to the contents. I agree to attend such pre-school planning days as are scheduled exclusive of the designated number of teaching days. "I clearly understand that it is my responsibility to be fully certified with the State of South Dakota for the duration of this contract. I accept that my pay will cease on October 1, and my employment may be terminated or suspended without pay until such time that I meet the certification requirements of the job."

Witness my hand this 18<sup>th</sup> day of April, 2016

Witness: Colleen K. Handberg

Sign here: Cassandra Timm  
Teacher



BOARD MEETING DATE:

**HURON PUBLIC SCHOOLS**

Huron, South Dakota

**PERSONNEL DATA SUMMARY**

1. Name Cassandra Timm  
Present Address 582 Dexter Dr. Apt 201 – N Sioux City, SD 57049  
Position Applied For 3<sup>rd</sup> Grade Teacher – Madison 2-3 Center

2. Preparation and Certification:

|                    | <u>Name of School</u> | <u>Year/Degree</u> |
|--------------------|-----------------------|--------------------|
| College: BS Degree | <u>USD</u>            | <u>2016/BS</u>     |
| MA Degree          | _____                 | _____              |
| Other              | _____                 | _____              |

3. Teaching Experience - (list the last two positions)

| <u>Name of School</u> | <u>How Long/Years</u> | <u>Grades/Subjects</u> |
|-----------------------|-----------------------|------------------------|
| _____                 | _____                 | _____                  |

4. **Base Salary:** \$36,187 **Teaching Assignment:** 3<sup>rd</sup> Grade Teacher – Madison Elem  
**Extra Duty:** \_\_\_\_\_ Ex Duty Assignment \_\_\_\_\_  
**Total Salary:** \$36,187

To: Demi Moon  
High School Principal  
4/13/2016

Dear Mrs. Moon,

I am resigning as English Teacher at Huron High School, effective after the 2015-2016 school year. I am extremely appreciative of the mentors I've had in this building. Huron High School is truly a wonderful place that fosters students' development academically and teachers' growth professionally. I am honored to have been a part of this team.

Sincerely,

Haley Haagenon

April 18, 2016

Mr. Terry Nebelsick  
Superintendent of Schools  
Huron School District 2-2  
150 5<sup>th</sup> St. SW  
Huron, SD 57350

Dear Mr. Nebelsick,

Please accept this letter as notice of my resignation from my position as Special Ed para-educator at Buchanan School. This to be effective at the end of the 2015-2016 school year.

I have thoroughly enjoyed my work with these "special" children the past 7 years!

It is now time to turn my attention to my "Golden Years" with our 9 grandchildren, hobbies, and travel.

Sincerely,

  
Catherine A. Ramsell

Received 4/11/16  
MT

April 11, 2016

Mr. Tapplet

Please accept this letter as my formal resignation from my position as an ESL Para educator at Huron Middle School. I will be leaving my position due to illness of my father, and my last day of work will be April 28, 2016.

Sincerely,

Betsy Meraz  
Para Educator

Board Report - Listing of Bills

| <u>Vendor Name</u>  |   | <u>Vendor Description</u> | <u>Amount</u>                  |                 |
|---------------------|---|---------------------------|--------------------------------|-----------------|
| Checking            |   |                           |                                |                 |
|                     | 1 |                           |                                |                 |
| Checking            | 1 | Fund: 10 GENERAL FUND     |                                |                 |
| BUHL'S LAUNDRY      |   | LAUNDRY                   | 106.00                         |                 |
| NORTHWESTERN ENERGY |   | ELECTRICITY & HEAT        | 1,097.19                       |                 |
|                     |   |                           | <b>Fund Total:</b>             | <b>1,203.19</b> |
|                     |   |                           | <b>Checking Account Total:</b> | <b>1,203.19</b> |

April 14, 2016

Dear Members of the Huron School Board,

The Huron High School Music Department is seeking permission to create a Club Activity account for the new Tri-M Music Honor Society that was chartered in 2013 and became active in December of 2015.

Tri-M Music Honor Society was founded in 1936 by two music teachers in Illinois and is now an International Honor Society that has 1700 Chapters across 50 states, involving more than 67,000 students in grades 6-12. It is the national program of National Association for Music Education, which focuses on creating future leaders in music education and music advocacy.

Each year, these students contribute more than 750,000 service hours to their school and local communities, and raise nearly \$1 million for causes they care about. NAFME awards more than \$2,000 in scholarship each year to chapters that demonstrate exceptional service and leadership.

The purpose of Tri-M is to strengthen the school and music program by:

- Advocating for the importance and value of music education in shaping the leaders of tomorrow.
- Highlighting the school's music program and establishes credibility within the surrounding community.
- Positively impacting the community through public performances and service projects
- Motivating students to make a difference in their community

Huron's Tri-M Chapter #6692 currently has 28 members in grades 10-12 and their advisors are Laura and Larry Petersen. The group has participated in two fundraising opportunities and would like to create an account to manage these funds and create music awareness and opportunities for younger students.

We would appreciate the Boards consideration of this request.

Sincerely,



Laura Petersen  
Choral Director  
Tri-M Advisor  
Huron High School

PO Box 949  
Huron, SD 57350  
605-353-6992



Gay Pickner M.A.  
Director of Curriculum,  
Instruction, and Assessment  
Gay.Pickner@k12.sd.us

**INTENT TO APPLY FOR GRANT FUNDING --- Any person or group applying for grant funds is expected to complete this form prior to submitting any grants or requesting funds that will impact the Huron School District.**

Date: 4/4/16 Group Applying: 6-8<sup>th</sup> Sheltered Math Class Contact Person: Lisa Kissner

Name of Grant/Award: SDAMLE "Awards of Excellence"

Name of Funder: SD Assoc. for Middle Level Education Contact Person: Dan Albertsen

Amount to be Requested: \$500 Funder's Submission Due Date: 4/29/16

Project Focus: ESL Student Store

How awarded amount received?  Full amount up front  Reimbursement

Are any follow up reports required?  Yes  No If yes, when are they due?

Is any District funding, resource, or in-kind commitment required now or in the future? Yes  No

If yes, please list by dollar amount and/or in-kind service/support. Be specific:

Please note:

- o Each school/individual will be responsible for submitting and following through on the grant application process unless other arrangements have been made.
- o The person or group applying will need to submit the following documentation to the curriculum and business offices:
  - o A copy of the completed grant application.
  - o If and when the grant is awarded, a copy of the award letter.
  - o If any follow-up reports are required, a copy of the report.

A copy of this request with signatures will be returned to the contact person above when the application is reviewed, allowing the application to proceed.

Signature: M. Taplett Date: 4/8/16  
Building/Department Administrator

Signature: Gay Pickner Date: 4-8-16  
Gay Pickner, Director of Curriculum, Instruction & Assessment

Signature: Kelly Christopherson Date: 4-11-16  
Kelly Christopherson, Business Manager

Date Presented to School Board: \_\_\_\_\_

PO Box 949  
Huron, SD 57350  
605-353-6992



Gay Pickner M.A.  
Director of Curriculum,  
Instruction, and Assessment  
Gay.Pickner@k12.sd.us

**INTENT TO APPLY FOR GRANT FUNDING** --- Any person or group applying for grant funds is expected to complete this form prior to submitting any grants or requesting funds that will impact the Huron School District.

Date: 4/14/16 Group Applying: Huron Polia Dept. Contact Person: Nathan Benjamin

Name of Grant/Award: COPS Hiring Program

Name of Funder: U.S. Department of Justice Contact Person: \_\_\_\_\_

Amount to be Requested: 75% Officer Pay - 3 years Funder's Submission Due Date: End of May 2016

Project Focus: School-Based Policing

How awarded amount received? \_\_\_\_\_ Full amount up front  Reimbursement

Are any follow up reports required?  Yes \_\_\_\_\_ No If yes, when are they due? When Audited

Is any District funding, resource, or in-kind commitment required now or in the future? Yes  No \_\_\_\_\_

If yes, please list by dollar amount and/or in-kind service/support. Be specific: \$35,000.00 for 4 years or 5,000 the 1st 3 years and 20,000 the 4th year

Please note:

- Each school/individual will be responsible for submitting and following through on the grant application process unless other arrangements have been made.
- The person or group applying will need to submit the following documentation to the curriculum and business offices:
  - A copy of the completed grant application.
  - If and when the grant is awarded, a copy of the award letter.
  - If any follow-up reports are required, a copy of the report.

A copy of this request with signatures will be returned to the contact person above when the application is reviewed, allowing the application to proceed.

Signature: \_\_\_\_\_  
Building/Department Administrator

Signature: \_\_\_\_\_  
Gay Pickner, Director of Curriculum, Instruction & Assessment

Signature: \_\_\_\_\_  
Kelly Christopherson, Business Manager

Date Presented to School Board: \_\_\_\_\_



# Huron School District 2-2

150 5<sup>th</sup> St SW – PO Box 949  
Huron, South Dakota 57350-0949

**Business Office**  
(605) 353-6995  
Fax (605) 353-6994

**Kelly Christopherson**  
Business Manager

Date: April 19, 2016

To: School Board Members  
Terry Nebelsick, Superintendent

From: Kelly Christopherson 

RE: Worker's Compensation Insurance and Property & Liability Insurance

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The District's Worker's Compensation insurance renewal for 2016-2017 is a couple thousand dollars less than the previous year with no changes to coverage.

The District's Property & Liability insurance renewal for 2016-2017 is about \$12,330 more than last year. There are some things to note as follows:

- With the elementary construction and the acquisition of the transportation facility our property values increase about \$23 million. This increase in value pushed our rates up about \$22,000.
- ASBSD is suggesting a local agent fee of \$15,040. Rick Long at American Trust Insurance received \$7500 for his services this year and is willing to be our local agent during 2016-2017 for \$7500.
- Our deductible per claim is being raised from \$500 to \$5000. This change should help keep rates down.
- We don't have too many property damage claims where the increased deductible will come into play, about 4 per year at the \$500 level. Of the 9 claims in the last 2 years, only 2 exceeded \$5000. The broken water pipe and flood at the HS in May, 2015 and the hail on the fleet vehicles in June, 2015. Most of the other claims were in the \$1,000 to \$3,000 range and most of these were minor vehicle damage claims.

I recommend renewing both coverages.



**ASSOCIATED SCHOOL BOARDS**

**PROTECTIVE  
TRUST**

## HURON SCHOOL DISTRICT

Associated School Boards Workers' Compensation Insurance Fund  
Renewal Proposal

Policy Period: July 1, 2016-June 30, 2017

# 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.

We currently have 83, which includes 8 Wyoming school districts, participating in the Work Comp Fund.

## *Risk Pooling 101*

ASB Workers' Compensation Fund is a partially self-insured insurance fund. 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 the commercial reinsurance carrier and caps our exposure to catastrophic losses.

We use 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. We have no 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 insurance affordable and predictable.

## *ASBPT's Broad Service Platform*

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

Our services have continually evolved over our 25 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
- Reduce the amount of reserves on your claims
- Provide financial protection for areas of exposure

## *ASBPT keeps business local to South Dakota*

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

Our third-party claims administrator is *Claims Associations, Inc.* based in Sioux Falls, SD. Lastly, *Tieszen Law Office, LLC* is the Trust's legal counsel and is based in Pierre, SD.

## *2016-2017 Renewal Information*

The fund is projecting a decrease in expected claims, but the fund also implemented a more equitable premium allocation methodology and the exciting enhancement of expanded Employers Liability coverage from \$1 million to \$2 million by Safety National, our reinsurance company, for no additional cost.

Finally, we are excited to announce a new partnership in Alliant Insurance Services effective July 1, 2016. Alliant Insurance Services will bring innovative and fresh ideas to our program.

Each district's Experience Modification is generated by our actuaries and we capped Experience Modification changes for 2016-2017 at +/-20 percent.

In addition to the capped Experience Modification, we held the premium changes to a range of -35 percent to +5 percent for the entire pool. The purpose of the fund is to smooth out peaks and valleys for our members.

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 premium.

The ASB Worker's Compensation Fund is projecting a decrease in expected claims for 2016-2017. The fund is in outstanding financial position and it allowed us to provide a decrease in projected premium and minimal increases to districts as we transition into the new premium allocation methodology.

We appreciate your participation in ASB Workers' Compensation Fund. We are excited for the future as we strive to continue to provide competitive, affordable and transparent Worker's Compensation Benefits to our member school districts.

Cordially yours,



Matt Flett  
Chief Financial Officer  
Director of Protective Trust Services  
Associated School Boards of South Dakota

# Workers' Compensation Coverage

## Coverage and Limits:

| Description                        | Premium  |
|------------------------------------|--|
| Workers' Compensation              | Coverage A---Statutory<br>Coverage B---\$2,000,000 |
| <b>2016-2017 Estimated Premium</b> | <b>\$167,331.00</b>                                |

*Last year was \$169,313 YC*

*Please see the last page for the calculation sheet used to arrive at your 2016-2017 premium.*

|   |             |
|---|-------------|
| 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 |

Exclusions include, but not limited to:

- Compliance with applicable trade sanction laws

Conditions of Quote, Coverages, or Binding:

- Self-Annual Payroll Audit

Claims Reporting

- Report all Workers' Compensation First Report of Injury Forms to [heidi.jennings@asbsd.org](mailto:heidi.jennings@asbsd.org) and [claims@claimsassoc.com](mailto:claims@claimsassoc.com) within 7 days.

For more information on South Dakota Workers' Compensation Laws please visit:

<http://dlr.sd.gov/workerscomp/default.aspx>

## Service Providers to ASB Workers' Compensation Fund:

- Alliant Insurance Services
  - Property/Liability & Workers' Compensation Broker
    - Responsible for placing coverage with reinsurers
    - Responsible for claims advocacy with reinsurers
  
- Reinsurance Carrier
  - Safety National Casualty Corporation
  
- AON Global Risk Solutions
  - Actuarial services
  
- Eide Bailly, LLP
  - Certified Public Accounting Firm
  
- Safety Benefits
  - Loss Control Specialists

**ASB Workers' Compensation Fund South Dakota Membership 2016-2017**

|   |  |
|---|--|
| ABERDEEN SCHOOL DISTRICT #6-1             | LEMMON SCHOOL DISTRICT #52-4                   |
| ALCESTER-HUDSON SCHOOL DISTRICT #61-1     | LEOLA SCHOOL DISTRICT #44-2                    |
| BALTIC SCHOOL DISTRICT #49-1              | LYMAN SCHOOL DISTRICT #42-1                    |
| BENNETT COUNTY SCHOOL DISTRICT #3-1       | MARION SCHOOL DISTRICT #60-3                   |
| BIG STONE CITY SCHOOL DISTRICT #25-1      | MCINTOSH SCHOOL DISTRICT #15-1                 |
| BISON SCHOOL DISTRICT #52-1               | MEADE SCHOOL DISTRICT #46-1                    |
| BRITTON-HECLA SCHOOL DISTRICT #45-4       | MENNO SCHOOL DISTRICT #33-2                    |
| CANTON SCHOOL DISTRICT #41-1              | MILBANK SCHOOL DISTRICT #25-4                  |
| CORNBELT EDUCATIONAL COOPERATIVE          | MITCHELL SCHOOL DISTRICT #17-2                 |
| CUSTER SCHOOL DISTRICT #16-1              | NEW UNDERWOOD SCHOOL DISTRICT #51-3            |
| DE SMET SCHOOL DISTRICT #38-2             | NORTH CENTRAL SPECIAL EDUCATION COOPERATIVE    |
| DEUEL SCHOOL DISTRICT #19-4               | NORTHEAST EDUCATIONAL SERVICES COOPERATIVE     |
| DOLAND SCHOOL DISTRICT #56-2              | NORTHWESTERN AREA SCHOOL DISTRICT #56-7        |
| DUPREE SCHOOL DISTRICT #64-2              | NORTHWEST AREA SCHOOLS EDUCATIONAL COOPERATIVE |
| EAGLE BUTTE SCHOOL DISTRICT #20-1         | OELRICHS SCHOOL DISTRICT #23-3                 |
| EAST DAKOTA EDUCATIONAL COOPERATIVE       | PARKER SCHOOL DISTRICT #60-4                   |
| EDGEMONT SCHOOL DISTRICT #23-1            | PARKSTON SCHOOL DISTRICT #33-3                 |
| EDMUNDS CENTRAL SCHOOL DISTRICT #22-5     | REDFIELD SCHOOL DISTRICT #56-4                 |
| ELK MOUNTAIN SCHOOL DISTRICT #16-2        | SCOTLAND SCHOOL DISTRICT #4-3                  |
| ELK POINT-JEFFERSON SCHOOL DISTRICT #61-7 | SELBY AREA SCHOOL DISTRICT #62-5               |
| EUREKA SCHOOL DISTRICT #44-1              | SHANNON COUNTY SCHOOL DISTRICT #65-1           |
| FAITH SCHOOL DISTRICT #46-2               | SIOUX VALLEY SCHOOL DISTRICT #5-5              |
| FREDERICK AREA SCHOOL DISTRICT #6-2       | SISSETON SCHOOL DISTRICT #54-2                 |
| GETTYSBURG SCHOOL DISTRICT #53-1          | SOUTH CENTRAL SCHOOL DISTRICT #26-5            |
| GRANT-DEUEL SCHOOL DISTRICT #25-3         | SPEARFISH SCHOOL DISTRICT #40-2                |
| GROTON AREA SCHOOL DISTRICT #6-6          | STANLEY COUNTY SCHOOL DISTRICT #57-1           |
| HAAKON SCHOOL DISTRICT #27-1              | TIMBER LAKE SCHOOL DISTRICT #20-3              |
| HERREID SCHOOL DISTRICT #10-1             | TODD COUNTY SCHOOL DISTRICT #66-1              |
| HIGHMORE-HARROLD SCHOOL DISTRICT #34-2    | TRIPP-DELMONT SCHOOL DISTRICT #33-5            |
| HITCHCOCK-TULARE SCHOOL DISTRICT #56-6    | WALL SCHOOL DISTRICT #51-5                     |
| HOT SPRINGS SCHOOL DISTRICT #23-2         | WARNER SCHOOL DISTRICT #6-5                    |
| HURON SCHOOL DISTRICT #2-2                | WATERTOWN SCHOOL DISTRICT #14-4                |
| IPSWICH SCHOOL DISTRICT #22-6             | WAUBAY SCHOOL DISTRICT #18-3                   |
| JAMES VALLEY EDUCATION COOPERATIVE #17202 | WESSINGTON SPRINGS SCHOOL DISTRICT #36-2       |
| KADOKA SCHOOL DISTRICT #35-2              | WHITE RIVER SCHOOL DISTRICT #47-1              |
| KIMBALL SCHOOL DISTRICT #7-2              | WINNER SCHOOL DISTRICT #59-2                   |
| LANGFORD AREA SCHOOL DISTRICT #45-5       |  |
| LEAD-DEADWOOD SCHOOL DISTRICT #40-1       |  |

ASSOCIATED SCHOOL BOARDS OF SOUTH DAKOTA  
WORKERS COMPENSATION

2016/17 Contribution Calculation  
Member: HURON SCHOOL DISTRICT

|   | Projected 2016/17<br>(1) | Class Code  |              |             | Total<br>(5)              |
|---|--------------------------|-------------|--------------|-------------|---------------------------|
|   |                          | 7380<br>(2) | 8868<br>(3)  | 9101<br>(4) |                           |
| A. Payroll  |                          | \$400,000   | \$12,475,000 | \$675,000   | \$13,550,000              |
| B.i Indicated Loss Rate                               |                          |             |              |             | \$0.512                   |
| B.ii Program Expense Rate                             |                          | \$2.547     | \$0.290      | \$3.399     | \$0.255                   |
| C. 2016/17 Experience Modification Factor             |                          |             |              |             | 1.574                     |
| D.i Xmod-Adjusted 2016/17 Loss Rate per \$100 Payroll |                          |             |              |             | \$0.805 = B.i x C         |
| D.ii Xmod-Adjusted Program Expense Rate               |                          |             |              |             | \$0.401 = B.i x C         |
| D.iii Total Indicated Rate                            |                          |             |              |             | \$1.207 = D.i + D.ii      |
| E. Prior Contribution Rate                            |                          |             |              |             | \$1.300                   |
| F. Indicated Rate Change                              |                          |             |              |             | -7% = D.iii / E - 1       |
| G. 2016/17 Capped Contribution Rate                   |                          |             |              |             | \$1.235                   |
| H. Final Rate Change                                  |                          |             |              |             | -5% = G / E - 1           |
| I. 2016/17 Total Contribution                         |                          |             |              |             | \$167,331 = A / \$100 x G |
| J. Discretionary Premium Credit                       |                          |             |              |             | \$0                       |
| K. Adjusted 2016/17 Total Contribution                |                          |             |              |             | \$167,331 = I - J         |

G = D.iii, subject to a maximum change from (E) of +/-5% and an off-balance factor.

J is a discretionary credit selected by ASBSD.



**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 the Protective Trust Joint Powers Agreement and Bylaws are hereby adopted, and further 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, 2016, to 12 midnight CST, June 30, 2017. The projected contribution required for such coverage as provided in the ASB Workers' Compensation Fund Participation Agreement is \$167,331.00.

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 \_\_\_\_\_, 20\_\_\_\_, at \_\_\_\_\_, South Dakota.

\_\_\_\_\_  
School Board President

I hereby certify that the foregoing Motion was adopted by the HURON SCHOOL DISTRICT in open session at a regularly-called meeting on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Business Manager

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 tit. 62.

1.9. Workers' Compensation -- The rights, obligations, limitations, and responsibilities set out in SDCL tit. 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 MEMBER'S 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 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. Evaluation and establishment of reserves for claims.
- 3.2. Investigation and adjusting of claims.
- 3.3. Auditing claim losses and expenses incurred prior to making final payment.
- 3.4. Making payment of compensable benefits as required under the Workers' compensation laws, the Master Contract or the Bylaws.
- 3.5. Negotiating settlements with claimants as authorized or approved pursuant to policies of the Trust Board and securing appropriate releases upon settlement of claims.
- 3.6. Selecting and monitoring the attorneys employed to defend claims or suits by or against the MEMBER or the TRUST.
- 3.7. Monitoring claims for subrogation and undertaking recoveries when economically feasible and advisable.
- 3.8. Maintaining monthly reports identifying MEMBERS' claims by category, payments made, and reserves of claims. Such reports are available to each MEMBER and each Trustee as required by policies adopted by the Trust Board.
- 3.9. Providing such reports and documentation as required by any Master Contract.
- 3.10. Preparing and filing reports required by the state or federal government or agencies thereof.

- 3.11. Providing or contracting for loss control education and developing and disseminating a loss control program.
- 3.12. Monitoring frequency and severity of claims' performance of MEMBERS.
- 3.13. Establishing rating structures to determine MEMBER contributions, providing billing to MEMBERS for contributions and notices regarding contribution changes and assessments.
- 3.14. 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.
- 3.15. Developing programs for TRUST expansion.
- 3.16. Determining and recommending to the Fund's Board, the distribution of excess reserves, if any, to MEMBERS, based upon performance of the Fund.
- 3.17. Providing billing, collection, and auditing of contributions to the TRUST by MEMBERS.
- 3.18. Retaining and authorizing outside legal and financial assistance and services.
- 3.19. 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. MEMBER'S 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 MEMBER'S initial year, such MEMBER'S experience modification, as established by the Midwest Council on Compensation Insurance, will be used. If no modification rate has been established, the Claims Administrator will provide an experience modification factor.

4.2. 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  
WITHDRAWAL AND TERM

5.1. A MEMBER may withdraw from membership at any time during the coverage year by giving notice in writing not less than sixty (60) days prior to the effective date of termination of coverage. Failure of a MEMBER to provide written notice of its intention not to renew coverage for a subsequent coverage year, **no later than May 31 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. In the event of early withdrawal, the TRUST shall advise the MEMBER of the short rate cancellation contribution required for the coverage period already provided. This rate shall be based upon the MEMBER'S experience rating and the total TRUST experience. Any contribution in excess of the short rate cancellation rate shall be returned to the MEMBER at the termination of coverage. In the event compensation is being paid on any of the MEMBER'S claims at the time of notice of withdrawal, the short rate cancellation contribution shall be equal to the MEMBER'S entire contribution for the coverage year. Early termination of coverage shall constitute abandonment of the MEMBER'S right to any future distribution of excess reserves.

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, notwithstanding 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 MEMBER'S 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 MEMBER'S 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 MEMBER'S 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 Worker 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:

8.1. For work-related injury, One Million Dollars (\$1,000,000).

8.2. For work-related disease, One Million Dollars (\$1,000,000).

8.3. For employer liability, when an election is made by an employee under SDCL 62-4-38 or otherwise, One Million Dollars (\$1,000,000).

The coverage amounts in this Section may not be accumulated in any manner to exceed One Million Dollars (\$1,000,000).

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 MEMBER'S 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

# Huron School District 2-2

150 5<sup>th</sup> St SW – PO Box 949  
Huron, South Dakota 57350-0949

## Business Office

(605) 353-6995

Fax (605) 353-6994

**Kelly Christopherson**

Business Manager

Date: April 19, 2016

To: School Board Members  
Terry Nebelsick, Superintendent

From: Kelly Christopherson 

RE: Worker's Compensation Insurance and Property & Liability Insurance

---

The District's Worker's Compensation insurance renewal for 2016-2017 is a couple thousand dollars less than the previous year with no changes to coverage.

The District's Property & Liability insurance renewal for 2016-2017 is about \$12,330 more than last year. There are some things to note as follows:

- With the elementary construction and the acquisition of the transportation facility our property values increase about \$23 million. This increase in value pushed our rates up about \$22,000.
- ASBSD is suggesting a local agent fee of \$15,040. Rick Long at American Trust Insurance received \$7500 for his services this year and is willing to be our local agent during 2016-2017 for \$7500.
- Our deductible per claim is being raised from \$500 to \$5000. This change should help keep rates down.
- We don't have too many property damage claims where the increased deductible will come into play, about 4 per year at the \$500 level. Of the 9 claims in the last 2 years, only 2 exceeded \$5000. The broken water pipe and flood at the HS in May, 2015 and the hail on the fleet vehicles in June, 2015. Most of the other claims were in the \$1,000 to \$3,000 range and most of these were minor vehicle damage claims.

I recommend renewing both coverages.



# Huron School District

Associated School Boards Property/Liability Fund Renewal Proposal

Policy Period: 2016-2017



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## Executive Summary

Thank you for giving us the opportunity to highlight the advantages of participating in the Associated School Boards Protective Trust (ASBPT) and Associated School Boards Property/Liability Fund. We strive to offer a cost-effective alternative to the commercial insurance market with higher limits and broader coverages.

ASB Property/Liability Fund will see a number of new and exciting program additions and enhancements for 2016-2017. For the first time in over fifteen years the ASB Property/Liability Fund will see a new broker on our account. *Alliant Insurance Services* has been selected to be the broker of record and to service our account. They will provide reinsurance placement, member support, and many other duties.

Since partnering with Alliant we are able to bring the following program enhancements and sub-limit increases:

- **Property**-Increased various property sub-limits:
  - \$10,000,000 Extra Expense (previous limit \$5,000,000)
  - \$100,000 Newly Acquired Contractors Equipment (not previously covered)
  - \$1,000,000 Newly Acquired Vehicles (not previously covered)
  - \$10,000,000 Ordinance or Law Coverage (Demolition & Increased cost of Construction)-Building Property (previous limit \$1,000,000)
  - \$500,000 Ordinance or Law Coverage (Demolition & Increased Cost of Construction)-Tenants Improvements and Betterments (not previously covered)
  - \$2,500,000 Outdoor Trees, Shrubs, Sod, Plants and Lawns (previous limit \$100,000)
  - \$2,500,000 Unnamed Premises-At All Unnamed Premises-Buildings (previous limit \$1,000,000)
  
- **Crime**-With AIG, we were able to significantly increase the crime limits and sub-limits:
  - \$1,000,000 Employee Theft-Per Loss (previous limit \$200,000)
  - \$1,000,000 Forgery Or Alteration (previous limit \$100,000)
  - \$1,000,000 Inside the Premises-Theft of Money & Securities (previous limit \$50,000)
  - \$1,000,000 Inside the Premises-Robbery Or Safe Burglary of Other Property (not previously covered)
  - \$1,000,000 Outside the Premises (previous limit \$50,000)
  - \$1,000,000 Computer Fraud (previous limit \$50,000)
  - \$1,000,000 Funds Transfer Fraud (previous limit \$50,000)
  - \$1,000,000 Money Orders and Counterfeit Money (previous limit \$50,000)
  - \$1,000,000 Faithful Performance (previous limit \$200,000)
  - \$100,000 Impersonation Fraud Coverage (not previously covered)
  - \$1,000,000 Credit, Debit or Charge Card Forgery (not previously covered)

Another change members will experience this year is an increase in property deductible. We acknowledge a \$500 deductible is outdated and raising it allows us to be more flexible in the overall program and gave us the ability to add the enhancements above. For school districts with a "Total Insured Value" (TIV) over \$25 million a \$5,000 per claim property deductible will be enforced and for districts with less than \$25 million in TIV a \$2,500 deductible per claim will be enforced starting July 1, 2016. Your respective property deductible will apply to building, auto, and content losses. All other deductibles remain the same.

With feedback from the ASB Property/Liability Fund Advisory Committee consisting of superintendents and business managers a new premium allocation formula has been introduced for 2016-2017. Each district's rate is based on claims

experience with specific parameters in place. We feel the new formula allows for a greater level of equity among member school districts.

With all the program enhancements the range of increases to school district premium in the fund was a minimum of 2% and a maximum of 9%.

We are planning webinars to roll out all of these changes in the near future. Detailed information on the webinars will come in separate communications.

#### *ASBPT's Broad Service Platform*

We have created a broad, competitive program specifically with South Dakota School Districts in mind. Our services have continually evolved over our 25 year history, and are regularly enhanced based on direct feedback from our school leaders and our Property/Liability Advisory Committee that meets throughout the plan year.

#### *ASBPT keeps business local to South Dakota*

ASBPT recognizes the importance to keeping business local to South Dakota. *Associated School Boards of South Dakota*, the administrator of the Protective Trust is located in Pierre, SD. Our third-party claims administrator is *Claims Associates, Inc.* based in Sioux Falls and Rapid City, SD. Lastly, *Tieszen Law Office, LLC* is the Trust's legal counsel and is located in Pierre, SD.

#### *Risk Pool Protection*

By being a member of Associated School Boards Protective Trust you have the protection of being a member of a Governmental Risk Pool. Your district will share risk from catastrophic losses with over 50 other South Dakota school districts. The Protective Trust is built on serving only South Dakota school districts and their interests. We differ from commercial insurance carriers because we do not have a profit margin to meet. Any "profits" the property/liability fund earns over time stays with the fund to help offset future potential premium increases.

Our only goal is to provide comprehensive, stable, efficient and affordable insurance coverage to our member districts.

#### *Professional Affiliations*

Associated School Boards Protective Trust is either a member, partner or sponsor with the following professional organizations:

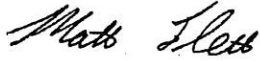
- Association of Governmental Risk Pools (AGRIP)
- School Administrators of South Dakota (SASD)
- South Dakota Association of School Business Officials (SDASBO)
- South Dakota School Superintendents Association (SDSSA)
- South Dakota Council of School Attorneys (COSA)

We hope you see our coverages and policy limits are unmatched as well as our competitive premium. We also hope you notice our dedication to serving school districts and how this program is tailored directly to serving school districts and trying to mitigate any exposure to claims the district may have.

Thank you for the opportunity to allow the Protective Trust to serve you and to enjoy our affordable, comprehensive insurance program tailored solely for South Dakota School Districts.

Please do not hesitate to contact me with any and all questions on your ASB Property/Liability Fund renewal.

Cordially yours,



Matt Flett  
Chief Financial Officer  
Director of Protective Trust  
Associated School Boards of South Dakota



## Protective Trust Team & Service Providers



Matt Flett

Chief Financial Officer  
Director of Protective Trust  
Services

[mflett@asbsd.org](mailto:mflett@asbsd.org)

Matt joined Associated School Boards of South Dakota in July 2014. He is a native of Scotland, SD and alumni of Black Hills State University.

Matt has a background in school finance and before coming over to ASBSD he was previously the business manager at Northeast Educational Services Cooperative.

Matt is responsible for overseeing the complete operation of the Protective Trust both managerially and financially.

Matt holds a South Dakota producers license for life/health and property/casualty. He is also a Certified Administrator of School Finance and Operations (SFO) through the Association of School Business Officials International (ASBOI).

Matt serves on the Board of Directors for Scholar Reinsurance, which is an ASBPT reinsurer.



Ken Bridger Protective Trust

Risk Manager

[ken.bridger@asbsd.org](mailto:ken.bridger@asbsd.org)

Ken joined Associated School Boards of South Dakota in July 2000.

Ken provides Risk Management services for the Property/Liability fund under the Associated School Boards Protective Trust to members by overseeing the adjustment and monitoring of claims, interacting and meeting with schools and claimants as well as claims payers and Brokers.

Ken surveys loss exposers and coordinates corrective actions with school districts.

Ken oversees and coordinates the appraisal program as well as the roof inspections for the member school districts.



Heidi Jennings

Protective Trust Manager

[heidi.jennings@asbsd.org](mailto:heidi.jennings@asbsd.org)

Heidi joined the Associated School Boards of South Dakota in September 1997.

Heidi is the true definition of a utility player. Heidi oversees the invoicing for Property/Liability, Workers' Compensation and Basic Life Insurance. She maintains the participation agreements and renewal motions for the three funds.

Provides assistance to the members with various questions and handles Life Benefit Claims.

Assistant to the Associated School Boards Protective Trust Board and the Property/Liability, Workers' Compensation and Health Fund Advisory Committees.



Lynn is employed by Claims Associates, Inc. out of Sioux Falls, SD and has over 10 years of claims adjusting experience in South Dakota and is the ASBSD Claims Account Manager.

Lynn is active in the South Dakota Claims Association and was President in 2005.

She holds an Associate in Claims Designation and Senior Claims Law Associate Designation.

Lynn Bren

Claims Associates, Inc.

Multi-Line Claims Adjuster

**Other notable service providers:**

- Alliant Insurance Services
  - Property/Liability & Workers' Compensation Broker
    - Responsible for placing coverage with reinsurers
    - Responsible for claims advocacy with reinsurers
  
- Reinsurance Carriers
  - Property
    - Hartford Fire Insurance Company (The Hartford)
      - Includes Boiler & Machinery Coverage
  - Liability (Quota Share 80%/20%)
    - Great American Insurance Group (80%)
    - Scholar Reinsurance (20%)
  
- Crime Policy
  - National Union Fire Insurance Company of Pittsburg, PA (AIG)
  
- AON Global Risk Solutions
  - Actuarial services
  
- Eide Bailly, LLP
  - Certified Public Accounting Firm

## Additional Property/Liability Program Benefit Enhancements

- The Protective Trust has a strong partner in Associated School Boards of South Dakota. Because of this we can offer very competitive and unique risk management opportunities that commercial carriers cannot match. That is why we offer the following benefits to members of ASB Property/Liability Fund:
  - 1 **FREE** registration to the School Law Seminar hosted annually by COSA.
  - 1 **FREE** registration to the Collective Bargaining Workshop hosted annually by ASBSD.
  - 1 **FREE** registration for your district's new superintendent to attend the Aspiring Superintendent Workshop sponsored by SASD.
  - 1 **FREE** registration for your district's new business manager to attend the Debit/Credit Workshop sponsored by SDASBO.
  
- Boiler Inspections
  - Inspections are scheduled on behalf of school districts and performed by Hartford Steam Boiler.
  
- Roof Inspections
  - Tremco is contracted to provide inspections and the reports for school districts assists them in planning and budgeting for future capital outlay projects based on the remaining life expectancy of their roofs.
  
- Building Appraisals and Values
  - Participating members receive, on a three year cycle, an updated appraisal and value of their building and contents at no charge.
  - ASP Property/Liability Fund **does not** have a coinsurance provision, that means if a building is insured for \$15,000,000 and a cover peril completely destroys a building, and it costs \$18,000,000 to replace, the fund will still pay full replacement cost.
  - We feel it is an important provision to give school administrators a sense of peace knowing their buildings are completely covered.

## Property, Inland Marine, Auto Physical Damage and Equipment Breakdown

### Coverages and Limits:

| Description  | Limit<br>(Per Occurrence unless otherwise noted<br>regardless of the amount of members<br>involved) |
|--|---|
| Loss Limit Of Insurance (Including Building And Contents)                                      | \$250,000,000   |
| Extra Expense  | \$10,000,000  |
| Business Income (Excluding Payroll)  | \$5,000,000   |
| Flood<br>– Annual Aggregate, All Members Combined  | \$25,000,000  |
| Earthquake<br>– Annual Aggregate, All Members Combined   | \$25,000,000  |
| Contractors Equipment:<br>-Contractors Equipment<br>-Newly Acquired<br>-Rental Expense         | Actual Cash Value<br>\$3,000,000<br>\$100,000<br>\$100,000  |
| Auto Physical Damage:<br>-While At Insured Premises<br>-While Over The Road<br>-Newly Acquired | Actual Cash Value<br>\$5,000,000<br>\$5,000,000<br>\$1,000,000                                      |
| Accounts Receivable  | \$5,000,000   |
| Brands And Labels  | Included in the Limit of Insurance applicable to Business Personal Property – Stock                 |
| Building Glass Repairs   | Included In the Building Limit of Insurance   |
| Business Travel Including Sales Representatives Samples  | \$50,000  |
| Claim Expenses   | \$500,000   |
| Contract Penalties   | \$50,000  |
| Debris Removal (Additional Amount)   | \$500,000   |
| Employee Personal Effects  | \$50,000  |
| Exhibitions  | \$50,000 At Any One Exhibition  |
| Expediting Expenses  | \$1,000,000   |

|   |   |
|---|---|
| Fine Arts   | \$2,500,000   |
| Fire Department Service Charge  | \$250,000   |
| Fire Device Recharge  | \$50,000  |
| " Fungus", Wet Rot, Dry Rot, Bacteria And Virus-Limited Coverage        | \$50,000 At Each Premises<br>In Any One "Policy Year"   |
| Inflation Guard   | Consumer Price Index up to 8%   |
| Installment Or Deferred Sales   | Up to \$50,000  |
| Loss Of Mastery Key   | \$25,000  |
| New Construction At "Scheduled Premises" (Frame Excluded)               | \$10,000,000  |
| Newly Acquired Property-Buildings                                       | \$10,000,000  |
| Newly Acquired Property-Business Personal Property                      | \$1,000,000   |
| Non-Owned Detached Trailers   | \$50,000  |
| Ordinance Or Law Coverage (Value Of The Undamaged Building)             | Included in Building<br>Limit of insurance  |
| Ordinance Or Law Coverage (Demolition & Increased Cost Of Construction) | \$10,000,000 Building Property<br>\$500,000 Tenants Improvements and<br>Betterments           |
| Outdoor Trees, Shrubs, Sod, Plants and Lawns                            | \$2,500,000   |
| Pairs And Sets  | Included in the Limit of Insurance applicable to<br>Business Personal Property – Stock        |
| Pollutants And Contaminants Cleanup                                     | \$250,000 in any one "Policy Year"  |
| Preservation Of Property  | 180 days  |
| Reward Coverage   | \$50,000  |
| Sewer And Drain Backup  | Included in the Limit of Insurance  |
| Transit   | \$500,000   |
| Transition To Replacement Premises                                      | Included within the<br>Limit of Insurance applicable to the Covered<br>Property that is moved |
| Unnamed Premises: At All Unnamed Premises-Building                      | \$2,500,000   |
| Unnamed Premises: At All Unnamed Premises-BPP                           | \$1,000,000   |

|  |  |
|--|--|
| Unnamed Premises: At All Unnamed Premises-Business Personal Property-Installation                  | \$25,000<br>At Any One Installation                  |
| Utility Service Interruption   | \$1,000,000  |
| Water Damage Building Tear Out And Repair  | Included in Building Limit of Insurance              |
| Water Seepage  | \$25,000   |
| Wind Blown Debris  | \$2,500  |
| Additional Covered Property  | Included   |
| Animals  | \$25,000   |
| Athletic Uniforms, Band Uniforms, And Theatre Costumes   | \$100,000  |
| Business Income From Auxiliary Operations  | \$25,000   |
| Faculty Personal Effects   | Included In Employee Personal Effects                |
| Harvested Crops  | \$25,000   |
| Musical Instruments  | \$100,000  |
| Personal Effects Of Students   | \$100,000<br>Sublimit of \$5,000 Per Student         |
| Green Choice   | \$100,00   |
| <b>Business Income Coverage Form</b>   |  |
| Business Travel  | Included in<br>Business Income Limit<br>of Insurance |
| Civil Authority (72 Hour Waiting Period Applies)   | 30 days  |
| Dependent Properties<br>Including Worldwide Coverage Territory (72 Hour<br>Waiting Period Applies) | \$100,000<br>From All Dependent<br>Properties        |
| Extended Income  | 180 Days   |
| "Fungus", Wet Rot, Dry Rot, Bacteria And Virus Limited<br>Coverage                                 | Actual Loss Sustained<br>for 30 Days                 |
| Future Earnings  | Included in<br>Business Income Limit                 |
| Ingress And Egress (24 Hour Waiting Period Applies)  | \$1,000,000  |
| Lessor's Tenant Move Back Expense  | \$10,000   |

|   |  |
|---|--|
| Machinery Testing And Training                                  | Included in Business Income Limit                        |
| Newly Acquired Premises   | Included in Business Income Limit                        |
| Ordinance And Law Coverage (Increased Period Of Restoration)    | Included in Business Income Limit                        |
| Pollutants And Contaminants Cleanup                             | \$250,000 In any one "Policy Year"                       |
| Sewer And Drain Backup  | Included in Business Income Limit                        |
| Transit   | \$100,000  |
| Unnamed Premises  | \$100,000 At all Unnamed Premises                        |
| Unnamed Premises-At Any One Installation                        | Included in Business Income Limit                        |
| Unnamed Premises-At Any One Exhibition                          | Included in Business Income Limit                        |
| Utility Service Interruption (24 Hour Waiting Period Applies)   | \$1,000,000  |
| Web Site And Internet Services (12 Hour Waiting Period Applies) | Lesser of Actual Loss Sustained for 30 days or \$100,000 |
| Green Alternatives-Increased Period Of Restoration              | 30 days  |
| <b>Extra Expense Coverage Form</b>                              |  |
| Civil Authority   | 30 Days  |
| Dependent Properties Including Worldwide Coverage Territory     | \$100,000 From All Dependent Properties                  |
| "Fungus", Wet Rot, Dry Rot, Bacteria And Virus Limited Coverage | Actual Loss Incurred for 30 Days                         |
| Ingress And Egress  | \$1,000,000  |
| Newly Acquired Premises   | \$250,000  |
| Ordinance Or Law Coverage (Increased Period Of Restoration)     | Included in Extra Expense Limit of Insurance             |
| Pollutants And Contaminants Cleanup                             | \$250,000 In any one "Policy Year"                       |
| Sewer And Drain Backup  | Included in Extra Expense Limit                          |



|  |  |
|--|--|
| Transit  | \$25,000   |
| Unnamed Premises   | \$100,000 At all Unnamed Premises                        |
| Unnamed Premises-At Any One Installation   | \$25,000   |
| Unnamed Premises-At Any One Exhibition   | \$25,000   |
| Utility Service Interruption   | \$1,000,000  |
| Website And Internet Services  | Lesser of Actual Loss Sustained for 30 days or \$100,000 |
| Denial of Services   | \$25,000   |
| <b>Equipment Breakdown Coverage Form (Boiler &amp; Machinery). Please note Boiler inspections are scheduled on behalf of districts</b> |  |
| Equipment Breakdown Limit Of Insurance   | \$100,000,000  |
| CFC Refrigerants   | Included in the Equipment Breakdown Limit                |
| Hazardous Substances   | \$5,000,000  |
| Spoilage   | \$1,000,000  |
| Expedition Expenses  | \$1,000,000  |

**Member Deductibles**

- **Member Property: \$5,000**
- **Member Auto Physical Damage: \$5,000**
- **Member Equipment Breakdown (B&M) : \$1,000**

**Policy Exclusions**

- Standard exclusions apply please see policy for details



## Crime Policy

### Coverages and Limits:

| Description  | Limit                   | Deductible |
|--|-------------------------|------------|
| Employee Theft-Per Loss Coverage                               | \$1,000,000             | \$1,000    |
| Forgery or Alteration  | \$1,000,000             | \$1,000    |
| Inside the Premises – Theft of Money and Securities            | \$1,000,000             | \$1,000    |
| Inside the Premises-Robbery, Safe Burglary-Other Property      | \$1,000,000             | \$1,000    |
| Outside the Premises   | \$1,000,000             | \$1,000    |
| Computer Fraud   | \$1,000,000             | \$1,000    |
| Funds Transfer Fraud   | \$1,000,000             | \$1,000    |
| Money Orders & Counterfeit Money                               | \$1,000,000             | \$1,000    |
| Faithful Performance Of Duty Coverage For Government Employees | \$1,000,000<br>Per Loss | \$1,000    |
| Impersonation Fraud Coverage                                   | \$100,000               | \$25,000   |

### Endorsements

- South Dakota Changes
- Economic Sanctions Endorsement
- Notice of Claim (Reporting By E-Mail)
- Protected Information Exclusion
- Indirect Or Consequential Loss Exclusion
- Add Credit, Debit Or Charge Card Forgery - \$1,000,000/Includes
- Add Faithful Performance Of Duty Coverage For Government Employees - \$1,000,000 Per Loss
- Bonded Employees Exclusion Deleted
- Employee Post Termination Coverage - 90 Days
- Prior Theft Or Dishonesty - \$10,000
- Additional Named Insured
- Include Treasurer Or Tax Collectors As Employees - Any tax collector or treasurer of any of those named as insured
- Include Specified Non Compensated Officers As Employees - Any elected or appointed officials
- Impersonation Fraud Coverage - \$100,000 Sub-Limit With \$25,000 Deductible
- Blanket Loss Payee
- Include Volunteer Workers Other Than Fund Solicitors As Employees
- Forms Index Endorsement

- Include students as employees
- Include Designated Persons as Classes of Persons as Employees – Any board member of any of those named insured
- Retro Date Endorsement – \$200,000 going Backwards and \$1,000,000 going forward

**Policy Exclusions**

- Standard exclusions apply please see policy for details

**Member Deductible**

**Member Crime Deductible: \$1,000**



## General Liability (Coverage A)

### Coverages and Limits:

| Coverage                                    | Limit (Per Occurrence Unless Otherwise Noted)   |
|---|---|
| <b>General Aggregate Limit Per Year</b>     | <b>Unlimited</b>  |
| Limits of Liability, Each Occurrence        | \$2,000,000   |
| Premises/Operations                         | \$2,000,000   |
| Products/Completed Operations               | \$2,000,000   |
| Personal & Advertising Injury               | \$2,000,000   |
| Fire Damage Legal Liability-Any One Fire    | \$2,000,000   |
| Legal Defense Costs                         | Defense Costs In Addition To Limit Of Liability   |
| Contractual Liability-As Defined (Tort)     | Included  |
| Host Liquor Liability                       | Included  |
| Professional Health Care Services Liability | Miscellaneous Medical Malpractice - School Nurses, Student Nurses, Counselors, and Allied Health Professionals for claims from third parties arising out of the scope of their duties |
| Non-Owned Watercraft Coverage               | Yes, 26 feet or less  |
| Pollution Liability                         | Limited Coverage  |
| Covered Parties                             | Trustees, Elected or Appointed Board Members, Employees, Student Teachers, Teaching Assistants, and Volunteers  |

### Member Deductibles

**Member General Liability: \$0**

### Policy Exclusions

- Standard exclusions apply please see policy for details

## School Board Legal Liability and Employment Practices Liability (Coverage B)

### Coverages and Limits:

| Coverage                        | Limit (Each Claim/Aggregate Unless Otherwise Noted) |
|---------------------------------|---|
| School Board Errors & Omissions | \$2,000,000   |
| Employee Benefit Liability      | \$2,000,000   |
| Corporal Punishment             | \$2,000,000   |
| Employment Practices            | \$2,000,000   |
| Sexual Molestation              | \$1,000,000   |

### School Board Legal Member Deductibles

School Board Legal Liability Claims: \$10,000

Employee Benefits Liability Claims: \$0

### Employment Related Practice Member Deductibles

Employment Related Practices Liability Claims: \$10,000

### Policy Exclusions

- Standard exclusions apply please see policy for details

## Defense Only Coverage (Coverage B)

### Coverages and Limits:

| Coverage                            | Limit (Each Claim/Aggregate Unless Otherwise Noted) |
|-------------------------------------|---|
| Defense Only                        | \$10,000  |
| Individualized Education Plan (IEP) | \$25,000  |

#### Defense Only Coverage includes:

- **Defense Costs** arising out of an allegation of unlawful corporal punishment; except that such coverage shall cease immediately for any **Covered Party** or **Covered Person** against whom such acts are established in fact;
- **Defense Costs** arising out of or in connection with any alleged violation of the Employee Retirement Income Security Act of 1974, and related regulations, or similar provisions of any statutory or common law;
- **Defense Costs** arising out of or in connection with allegations of discrimination against students because of race or national origin, including **Claims** brought by governmental agencies;
- **Defense Costs** arising out of or in connection with any **Claim** alleging negligent supervision, negligent employment, negligent investigation, negligent reporting or failure to report to the proper authorities by the **Covered Party** when such allegation is alleged to have resulted in or contributed to **Bodily Injury**, abused or **Sexual Molestation**;
- **Defense Costs** arising out of **Wrongful Employment Practices** allegations provided that coverage applies only to **Claims** first made against the **Covered Party** while this policy Coverage Agreement is in effect and shall not include any amount of back wages, salaries, employee benefits, or other forms of compensation due;
- **Defense Costs** for defense of groundless, false or fraudulent **Claims** up to the limit of \$10,000;
- The obligation or duty to defend or pay for the costs, expenses and attorney fees of defense where the **Claim** alleges dishonest, fraudulent, or criminal acts of the **Covered Party** shall cease immediately for any **Covered Party** against whom such dishonest, fraudulent, or criminal acts are established in fact;

This cost of defense coverage is an entirely different coverage from defense costs related to other claim types triggered by legal lawsuits. This coverage is triggered when there is an EEOC, OCR, or IEP administrative hearing brought against the district. This type of coverage is mostly unique to ASB Property/Liability Fund.

#### **Member Deductible**

**Defense Only:** \$5,000

**IEP Defense:** \$5,000

## Automobile Liability

### Coverages and Limits:

| Coverage   | Limit (Each Accident Unless Otherwise Noted)               |
|--|--|
| Liability, Combined Single Limit                           | \$2,000,000  |
| Uninsured Motorists Coverage (UM), Each Accident           | \$2,000,000  |
| Underinsured Motorists Coverage (UIM), Each Accident       | Included in UM limit                                       |
| Liability coverage For Owned Vehicles                      | \$2,000,000  |
| Liability Coverage For Hired And Non-Owned Vehicles        | \$2,000,000  |
| Garage Liability-Automotive Repair And Technology Programs | \$2,000,000  |
| Medical Payments   | \$2,000 Any One Person/\$25,000 Aggregate Any One Accident |

### Member Deductibles

**Auto Liability Member Deductible: \$0**

### Policy Exclusions

- Standard exclusions apply please see policy for details

## Quick Summary of Coverages, Deductibles, and Policy Limits

|  | Deductible | Limit  |
|--|------------|--|
| Building & Contents-Per Occurrence   | \$5,000    | \$250,000,000  |
| Auto Physical Damage-Per Occurrence  | \$5,000    | Actual Cash Value  |
| Boiler & Machinery (Equipment Breakdown)-Per Occurrence                                  | \$1,000    | \$100,000,000  |
| Crime  | \$1,000    | \$1,000,000  |
| General Liability-Each Occurrence/(unlimited aggregate)                                  | \$0        | \$2,000,000  |
| Primary School Board Legal Liability (E&O and Employment Practices)-each claim/aggregate | \$10,000   | \$2,000,000; except \$1,000,000 for sexual molestation     |
| ▪ Defense Only Claim   | \$5,000    | \$10,000   |
| ▪ School Board Legal Liability Claims  | \$10,000   | \$2,000,000  |
| Professional Health Care Services Liability  | \$0        | \$2,000,000  |
| Auto Liability Coverage-Each Accident  | \$0        | \$2,000,000  |
| Underinsured/Uninsured Motorist  | \$0        | \$2,000,000  |
| Auto Liability Medical Payments  | \$0        | \$2,000 Any One Person/\$25,000 Aggregate Any One Accident |

### Special Notices

- Please note the general liability difference as it will differ from most general liability policies
- We have a \$2,000,000 limit per occurrence and an unlimited aggregate for Coverage A. You can have numerous liability claims reach the \$2,000,000 limit in a policy year and have an unlimited aggregate

### Additional Member Options

We can offer our clients excess limit options for General Liability and Primary School Board Legal Liability. Below is a sample pricing matrix for your consideration based on Student Count of the District. Please note that additional limits are subject to no claims over \$100,000 and additional underwriting. Exceptions may be considered for a member that has a claim in excess of \$100,000.

| Student Count of District | Premium per million of Excess Limits |
|---------------------------|--------------------------------------|
| 1—2,500*                  | \$1,000                              |
| 2,500-5,000*              | \$1,500                              |
| 5,000+                    | Refer to ASBSD                       |



## Premium Summary

| <i>Description</i>              | <i>2016-2017<br/>Renewal Premium</i> |
|---------------------------------|--------------------------------------|
| Property Premium                | \$83,730                             |
| Liability Premium               | \$66,675                             |
| Excess Limits (if applicable)   | \$0                                  |
| Local Agent Fee (if applicable) | \$15,040                             |
| <b>Premium Grand Total</b>      | <b>\$165,444</b>                     |

*Last year*

*145,574*

*\$19,870*

**\*\*Please see last page for detailed premium calculation reports\*\***

**A webinar will be held explaining the new premium allocation methodology. Webinar details will come in a separate communication.**

## Current Participating Members

| ASB Property/Liability Fund South 2016-2017 |                                     |
|---|-------------------------------------|
| Alcester-Hudson School District             | McIntosh School District            |
| Baltic School District                      | Meade School District               |
| Bennett County School District              | Menno School District               |
| Bison School District                       | Mitchell School District            |
| Cornbelt Cooperative                        | New Underwood School District       |
| Custer School District                      | Northeast Educational Services Coop |
| Doland School District                      | Northwest Area Ed Coop              |
| Douglas School District                     | Northwestern Area School District   |
| Dupree School District                      | Oelrichs School District            |
| Edgemont School District                    | Oglala Lakota County                |
| Elk Point-Jefferson School District         | Redfield School District            |
| Eureka School District                      | Scotland School District            |
| Faith School District                       | Sisseton School District            |
| Frederick Area School District              | Spearfish School District           |
| Herreid School District                     | Stanley County School District      |
| Hot Springs School District                 | Takini School District              |
| Huron School District                       | Timber Lake School District         |
| Ipswich School District                     | Todd County School District         |
| James Valley Ed. Coop                       | Tripp-Delmont School District       |
| Kadoka School District                      | Wall School District                |
| Langford School District                    | Watertown School District           |
| Lead-Deadwood School District               | Wessington Springs School District  |
| Lemmon School District                      | White River School District         |
| Leola School District                       | Wilmot School District              |
| Lyman School District                       | Winner School District              |
| Marion School District                      |                                     |

ASSOCIATED SCHOOL BOARDS OF SOUTH DAKOTA  
GENERAL LIABILITY

2016/17 Contribution Calculation  
Member: Huron School Dist.

| Projected 2016/17<br>(1)                              | Amount<br>(2) |                    |
|---|---------------|--------------------|
| A. Student Count                                      | 2,488         |                    |
| B.i Indicated Loss Rate                               | \$7.48        |                    |
| B.ii Program Expense Rate                             | \$21.62       |                    |
| C.i Selected Experience Modification Factor           | 0.900         |                    |
| C.ii Balancing Adjustment Factor                      | 1.101         |                    |
| D.i Xmod-Adjusted 2016/17 Loss Rate per Student Count | \$7.41        | = B.i x C.i x C.ii |
| D.ii Program Expense Rate                             | \$21.62       | = B.i              |
| D.iii Total Indicated Rate                            | \$29.03       | = D.i + D.ii       |
| E. Prior Contribution Rate                            | \$31.04       |                    |
| F. Indicated Rate Change                              | -6%           | = D.iii / E - 1    |
| G. 2016/17 Capped Contribution Rate                   | \$30.73       |                    |
| H. Final Rate Change                                  | -1%           | = G / E - 1        |
| I. 2016/17 Total Contribution                         | \$76,465      | = A x G            |
| J. Discretionary Premium Credit                       | \$9,790       |                    |
| K. Adjusted 2016/17 Total Contribution                | \$66,675      | = I - J            |

G = D.iii, subject to a maximum change from (E) of +/-1% and an off-balance factor.

J is a discretionary credit selected by ASBSD.

ASSOCIATED SCHOOL BOARDS OF SOUTH DAKOTA  
PROPERTY

2016/17 Contribution Calculation  
Member: Huron School Dist.

|       | Projected 2016/17<br>(1)                      | Losses<br>(2) | Program Expenses<br>(3) | Total<br>(4) |                     |
|-------|---|---------------|-------------------------|--------------|---------------------|
| A.i   | Member TIV                                    |               |                         | \$93,506,727 |                     |
| A.ii  | ASBSD Policy Level Coverage TIV               |               |                         | \$2,150,924  |                     |
| A.iii | Total TIV                                     |               |                         | \$95,657,651 | = A.i + A.ii        |
| B.    | Indicated Rate per \$100 TIV                  | \$0.078       | \$0.088                 | \$0.167      |                     |
| C.i   | Selected Experience Modification Factor       | 1.000         | 1.000                   |              |                     |
| C.ii  | Balancing Adjustment Factor                   | 0.960         | 1.000                   |              |                     |
| D.    | Xmod-Adjusted 2016/17 Loss Rate per \$100 TIV | \$0.075       | \$0.088                 | \$0.163      | = B x C.i x C.ii    |
| E.    | Prior Contribution Rate                       |               |                         | \$0.098      |                     |
| F.    | Indicated Rate Change                         |               |                         | 66%          | = D.iii / E - 1     |
| G.    | 2016/17 Capped Contribution Rate              | \$0.011       | \$0.088                 | \$0.099      |                     |
| H.    | Final Rate Change                             |               |                         | 1%           | = G / E - 1         |
| I.    | Deductible Credit                             | 15.0%         | 0.0%                    |              |                     |
| J.    | Rate After Deductible Credit                  | \$0.009       | \$0.088                 | \$0.098      | = (1.0 - I) x G     |
| K.    | 2016/17 Contribution After Deductible Credit  | 8,948         | 84,572                  | \$93,520     | = A.iii / \$100 x J |
| L.    | Discretionary Premium Credit                  |               |                         | \$9,790      |                     |
| M.    | Adjusted 2016/17 Contribution                 |               |                         | \$83,730     | = K - L             |

G = D, subject to a maximum change from (E) of +/-1% and an off-balance factor.

L is a discretionary credit selected by ASBSD.

ASSOCIATED SCHOOL BOARDS  
PROTECTIVE TRUST  
**PROPERTY & LIABILITY**  
**ADOPTION AND RENEWAL MOTION**

BE IT HEREBY MOVED AND RESOLVED by the Huron 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 Property and Liability Trust Fund Participation Agreement, 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 prior versions of the Protective Trust Joint Powers Agreement and Bylaws and the ASB Property and Liability 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 Property and Liability 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 the obligations arising under the Property and Liability 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 Property and Liability Fund Participation Agreement shall extend from 12:01 a.m. CST, July 1, 2016, to 12 midnight CST, June 30, 2017. The contribution required for such coverage is:

1. For PROPERTY LOSS, replacement cost coverage, \$250,000,000.
2. For BOILER and MACHINERY coverage, \$50,000,000.
3. For AUTOMOBILE and SCHOOL BUS coverage, \$2,000,000 per occurrence/No annual aggregate.
4. For PERSONAL, BODILY INJURY, and PROPERTY DAMAGE, \$2,000,000 per occurrence/No annual aggregate.
5. For BLANKET SURETY BOND and CRIME LOSS, \$200,000.
6. For SCHOOL BOARD LEGAL LIABILITY coverage, \$2,000,000 per occurrence/No annual aggregate.

TOTAL CONTRIBUTION FOR ALL COVERAGES, INCLUDING LOSS FUND, ADMINISTRATIVE FEES, LOSS CONTROL, AND LOCAL AGENT COMMISSIONS, IF APPLICABLE, UNDER THE PROPERTY AND LIABILITY FUND PARTICIPATION AGREEMENT IS \$165,444.00.

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 \_\_\_\_\_, 2016, at \_\_\_\_\_, South Dakota.

\_\_\_\_\_  
School Board President

I hereby certify that the foregoing Motion was adopted by the HURON School Board in open session at a regularly-called meeting on the \_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
Business Manager

ASSOCIATED SCHOOL BOARDS  
PROTECTIVE TRUST  
PROPERTY AND LIABILITY 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 property and liability 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 PROPERTY AND LIABILITY FUND exists for the purpose of providing property and liability coverage for MEMBER DISTRICTS, their officers and employees;

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 and liability, and worker's compensation coverage for school districts and their officers and employees in South Dakota.
- 1.3. Covered Party -- The DISTRICT identified herein, its officers, its school board, its elected school board members, and its employees while acting within the scope of their employment.
- 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.
- 1.5. Excess Coverage -- Additional coverage limits, also known as "umbrella coverage," providing identified amounts of liability coverage as specified in a written endorsement signed by both parties to this Agreement.
- 1.6. Claims Administrator -- Claims Associates Inc., P.O. Box 1898, Sioux Falls, SD 57101, Telephone (605) 333-9810, FAX (605) 333-9835.
- 1.7. Trust Administrator -- Associated School Boards of South Dakota, P.O. Box 1059, Pierre, South Dakota 57501, Telephone (605) 773-2500, FAX (605) 773-2501.

1.8. 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 coverage for all or part of the liability identified herein.

1.9. Occurrence -- Occurrence shall bear the same meaning as the word carries under the applicable Master Contract, depending upon whether the claim arises under property coverage, liability coverage, or errors and omissions coverage.

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

## 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 as damages, **other than punitive or exemplary damages**, because of personal injuries or property damage caused by an occurrence **as defined and limited by the applicable Master Contract** which defines coverage and this Participation Agreement. Copies of the applicable Master Contracts are available to all participating MEMBERS at the office of the Trust Administrator.

2.2. The TRUST will defend any proceeding against the MEMBER seeking damages on account of personal injuries, property damage, or errors and omissions, and will defend any such suit against the MEMBER alleging damages or injuries, within the scope of coverage of the Master Contract, even though such proceeding or suit is determined to be groundless, false, or fraudulent. The TRUST may make such investigation, negotiation, and settlement of any claim or suit as it deems appropriate and expedient. Should the MEMBER'S governing board refuse to approve such settlement, such MEMBER will be solely and individually liable for any amount ultimately awarded, including defense costs in excess of 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 a proceeding or suit, 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 limitation of Section 2.1 and 2.2, and 2.4.a.

2.4.a. Benefits payable by the TRUST pursuant to this Participation Agreement apply only to property losses and liability arising under automobile and personal injury liability, including errors and omissions, within the scope of coverage as defined in the applicable Master Contract.

2.4.b. **Errors and omissions coverage is on a claims made basis.** Suits filed and losses reported within the scope of errors and omissions coverage to the TRUST during the coverage period by a notice of injury served upon a MEMBER pursuant to SDCL ch. 3-21 and received



from the MEMBER by the TRUST, prior to expiration of coverage under this Agreement, constitutes a claim made 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 contribution computation and shall provide such information to the TRUST at any time during or after the benefit period as the TRUST may direct.

### **SECTION III EXCLUSIONS**

**3.1.a. Exclusions from coverage shall be as provided in this Participation Agreement and the applicable Master Contracts. Generally, exclusions from coverage are intended as warranties.**

**3.1.b. In order to determine the extent of any exclusion, you must review the current Master Contract.**

**3.2. No coverage is provided under this Participation Agreement or any Master Contract for any use of the school grounds, buildings, facilities, vehicles, or busses granted by a school board pursuant to SDCL 13-24-20 or as may be amended.**

**3.3. In the event a court of competent jurisdiction were to finally conclude that SDCL 13-24-20 is unconstitutional and void, Section 3.2 shall be without effect and, in that event, coverage, if any, shall be as provided in the applicable Master Contract.**

**3.4. No underinsured motorist or uninsured motorist coverage is provided for the benefit of any employee of a MEMBER.**

### **SECTION IV TRUST OBLIGATIONS**

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 and shall include the following authority and obligations, including but not limited to:

4.1. Evaluation and establishment of reserves for claims.

4.2. Investigation and adjusting of claims.

4.3. Auditing claim losses and expenses incurred prior to making final payment.

4.4. Making payment of compensable property or liability benefits as required under the Master Contract, the Bylaws, and this Participation Agreement.

- 4.5. Negotiating settlements with claimants as authorized or approved pursuant to policies of the Trust Board and securing appropriate releases upon settlement of claim.
- 4.6. Selecting and monitoring attorneys employed to defend claims or suits against the MEMBER or the TRUST.
- 4.7. Monitoring claims for subrogation and undertaking recovery efforts when economically feasible and advisable.
- 4.8. 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.
- 4.9. Providing such reports and documentation as required by any Master Contract.
- 4.10. Preparing and filing reports required by the state or federal government or agencies thereof.
- 4.11. Providing or contracting for loss control and developing and disseminating loss control programs to reduce losses to the MEMBERS.
- 4.12. Monitoring frequency and severity of claims' performance of MEMBERS.
- 4.13. Establishing rating structures to determine MEMBER contributions, providing billing to MEMBERS for contributions and notices regarding contribution changes and assessments.
- 4.14. 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.
- 4.15. Developing programs for TRUST expansion.
- 4.16. 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.
- 4.17. Providing billing, collection, and auditing of contributions to the TRUST by MEMBERS.
- 4.18. Retaining and authorizing outside legal and financial assistance.
- 4.19. Costs for administrative services provided to MEMBER DISTRICTS will be in an amount not to exceed ten percent (10%) of annualized contribution earned and to include local agent fees if any.

4.20. 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.

## SECTION V MISCELLANEOUS

5.1. Coverage Cost. The coverage year shall run from July 1 through June 30 of each year. At least sixty (60) days prior to the end of the coverage year, the Trust Administrator shall calculate and determine each MEMBER'S contribution for the ensuing year and shall notify each MEMBER of said amount. General rating policies may be established by the Trust Board to determine contributions for new MEMBERS. Thereafter, each MEMBER'S loss/claim experience, any other cost associated with coverage's or services to that MEMBER, as well as the total TRUST experience, will be used to establish each MEMBER'S individual contribution.

5.2. Contribution. Each MEMBER'S contribution to the TRUST for a coverage year shall be the amount established by the Trust Administrator and provided to the MEMBER upon invoice. This contribution is subject to assessment in the manner provided in the Trust Bylaws. Membership shall be for one (1) year on an annual basis, provided however, that a new MEMBER may join on a prorated basis for any coverage year at a contribution level established by the Trust Administrator.

5.3. Membership. Membership in the TRUST is subject to approval by the Trust Board and is subject to the provisions of the Trust Bylaws.

## SECTION VI WITHDRAWAL AND TERMINATION

6.1.a. A MEMBER may **withdraw** from membership **at any time** during the coverage year by giving notice in writing not less than sixty (60) days prior to the effective date of termination of coverage. In the event of early withdrawal by providing the sixty (60) day notice established in this section, the MEMBER shall be entitled to the return and refund of seventy-five percent (75%) of its current contribution prorated to the date of withdrawal. Early termination of coverage shall constitute abandonment of the MEMBER'S right to any future distribution of excess reserves.

6.1.b. **Failure of a MEMBER to provide written notice of its intention not to renew coverage for a subsequent coverage year no later than May 31 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.**

6.2. 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 VII  
ENTIRE AGREEMENT

7.1. This Participation Agreement, together with the Trust Bylaws and the applicable Master Contracts, constitute the entire agreement between the parties and may not be changed or altered, except in writing approved by the MEMBER and the Trust.

7.2. This Participation Agreement shall be construed under the laws of the State of South Dakota, notwithstanding the conflict of law's provisions as enunciated by the South Dakota Supreme Court or enacted by the Legislature.

SECTION VIII  
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:

8.1. Each MEMBER remains solely and individually responsible for all decisions concerning its safety programs 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.

8.2. If any claim or suit is made or other proceeding is brought against the MEMBER, the MEMBER shall IMMEDIATELY transmit to the Trust Administrator **and** the Claims Administrator any demand, notice of injury, summons, or other process received, and prepare such claim forms as may be required by the Trust Administrator or the Claims Administrator to process such proceeding, claim, or suit. **Failure of the MEMBER to provide a copy of any summons and complaint received by the MEMBER within fifteen (15) days of service thereof, or within fifteen (15) days of admitting service thereto, shall void coverage under this Participation Agreement and any Master Contract.**

8.3. 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 suits, 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 first aid, unless such expenditures shall have been preapproved by the TRUST, the assigned attorney, or the Claims Administrator.

8.4. Each MEMBER shall make prompt payment of all contributions and assessments as required by this Participation Agreement and the Trust Bylaws. **Failure to make timely payment of a contribution voids coverage under this Participation Agreement.**

8.5. The MEMBER does hereby appoint the TRUST as agent to act on the MEMBER'S 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 MEMBER'S 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 is afforded.

8.6. The MEMBER agrees that upon payment of any loss or the incurring of any expense by the TRUST under this Participation Agreement, the TRUST is fully subrogated to the extent of all such payment to all rights of the MEMBER against any person or other entity which is or may be 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.

8.7. 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 MEMBER'S 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 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.

#### SECTION IX MAXIMUM COVERAGE LIMITATIONS

9.1 As to any PROPERTY LOSS, as that term is defined in the current applicable Master Contract, the maximum liability undertaken by the TRUST for any single occurrence is replacement cost of the property, \$250,000,000 limit.

9.2 BOILER AND MACHINERY coverage, as defined in the current applicable Master Contract, is Fifty Million Dollars (\$50,000,000).

9.3 As to any AUTOMOBILE and SCHOOL BUS COVERAGE, the maximum liability undertaken by the TRUST is Two Million Dollars (\$2,000,000) per vehicle per accident in a single occurrence/no annual aggregate, as defined in the current applicable Master Contract subject to the exclusion of Section 3.4. of this Agreement.

9.4 For any PERSONAL, BODILY INJURY AND PROPERTY DAMAGE, the maximum liability coverage under this Participation Agreement is Two Million Dollars (\$2,000,000) per occurrence, and unlimited aggregate in any one year, as defined in the current applicable Master Contract.

9.5 BLANKET SURETY BOND and CRIME LOSS, as defined in the current applicable Master Contract, is Two Hundred Thousand Dollars (\$200,000).

9.6 SCHOOL BOARD LEGAL LIABILITY, as defined in the current applicable Master Contract, is Two Million Dollars (\$2,000,000), each occurrence/no annual aggregate.

SECTION X  
CONTRIBUTION AND TERM OF COVERAGE

The 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 MEMBER'S 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 Property Liability 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