

June 28, 2023

Re: Howard Lake-Waverly-Winsted ISD 2687  
Policy No.: 127777.204  
SIC Code: 8211  
NAICS Code: 611110  
Effective: 07/01/2023 - 07/01/2024  
Company name: SFM Mutual Insurance Co.

Thank you for renewing your SFM workers' compensation policy. A copy of your policy is attached.

Here are a few key billing details:

Billing Type:	SFM will bill you directly
Total Policy Cost:	\$32,753
Deposit Premium Due:	\$32,753

If you haven't already, you can set up recurring payments anytime at [sfmic.com/pay](https://sfmic.com/pay).

The premium listed above is based on the payroll estimate you provided to us. At the end of your policy period, we will conduct a premium audit, and your final charges will be based on your actual payroll numbers.

To learn about the free safety resources and other services we offer policyholders, visit the Employers section of [sfmic.com](https://sfmic.com).

If you have questions, please contact your insurance agent.

Policy number <b>127777.204</b>	Renewal of policy <b>127777.203</b>	Policy issued <b>06/28/2023</b>
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**ITEM 1. INSURED MAILING ADDRESS**

Howard Lake-Waverly-Winsted ISD 2687  
PO Box 708  
Howard Lake, MN 55349-0708

**MGA:** North Star Mutual Insurance Co

**Your agency:**

Flagship Insurance Services LLC  
PO Box 99  
Winsted, MN 55395-0099

**Legal Entity:** Other - School District

Other workplaces not shown above: (See Endorsement WC9)

**ITEM 2. POLICY PERIOD**

07/01/2023 to 07/01/2024 12:01 A.M. STANDARD TIME AT THE INSURED'S MAILING ADDRESS

**ITEM 3. COVERAGE**

**A. Workers' Compensation Insurance:**

Part One of the policy applies to the Workers' Compensation Law of MN.

**B. Employers' Liability Insurance:**

Part Two of the policy applies to work in each state as listed in item 3A. The Limits of our liability under Part Two are:

Bodily Injury by Accident	\$500,000 each accident
Bodily Injury by Disease	\$500,000 policy limit
Bodily Injury by Disease	\$500,000 each employee

**C. Other States Insurance:**

Part Three of the policy applies to the states, if any, listed here:

AK, AL, AZ, CO, CT, FL, GA, IA, ID, IL, IN, KS, KY, LA, MD, MI, MO, MS, MT, NC, NE, NM, OK, PA, SC, SD, TN, TX, UT, VA, VT, WI

**D. This Policy includes these endorsements and schedules:**

WC220000A WC000419 WC9 WC000414A WC000422C WC000425 WC000406A WC220601D  
WC000424

**ITEM 4. PREMIUM**

The premium is determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

**See Schedule**



Insured:  
**Howard Lake-Waverly-Winsted ISD 2687**

Policy: **127777.204**  
 Period: **07/01/2023 - 07/01/2024**

PREMIUM SCHEDULE

MINNESOTA - SFM SELECT

Classification Description	Class Code	Premium Basis Total Estimated Annual Remuneration	Rate per \$100 of Remuneration	Estimated Annual Premium
Colleges Or Schools Profession	8868	9,406,600	0.48	45,152
Colleges Or Schools All Other	9101	810,500	4.28	34,689
Coverage B	9807		1.008	639
Experience Mod	9898		0.65	-28,168
Schedule Mod	9887		0.63	-19,355
Premium Discount	0063			-2,544
Expense Constant	0900			205
Terrorism Risk Insurance	9740			511
<b>Minnesota Estimated Premium Subtotal</b>				<b>\$31,129</b>
State of MN Special Compensation Fund Assessment - 0174				1,624
<b>Minimum Premium \$312</b>		<b>Minnesota Total Estimated Cost</b>		<b>\$32,753</b>

Unemployment ID# 07971419-0000  
 SIC Code:8211

By: \_\_\_\_\_  
 Authorized Representative

SFM Select Insurance Company  
Workers' Compensation and Employers' Liability Policy

Premium Due Date Endorsement

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

This endorsement, effective on **07/01/2023** at 12:01 A.M. standard time, forms a part of Policy **127777.204** issued to **Howard Lake-Waverly-Winsted ISD 2687**.

This endorsement is used to amend:

Section D. of Part Five of the policy is replaced by this provision.

**PART FIVE  
PREMIUM**

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

SFM Select Insurance Company  
 Workers' Compensation and Employers' Liability Policy

Other Workplaces/Name Insured Endorsement

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

This endorsement, effective on **07/01/2023** at 12:01 A.M. standard time, forms a part of Policy **127777.204** issued to **Howard Lake-Waverly-Winsted ISD 2687**.

It is hereby agreed that Item #1, Other Workplaces/Named Insured, is amended to read as follows:

	Location Code	UI Number
Howard Lake-Waverly-Winsted ISD 2687 PO Box 708 Howard Lake, MN 55349-0708 Mailing Address Only	4	07971419-0000
Howard Lake-Waverly-Winsted ISD 2687 8700 County Road 6 SW Howard Lake, MN 55349-5427	1	07971419-0000
Howard Lake-Waverly-Winsted ISD 2687 803 Elm Ave Waverly, MN 55390	2	07971419-0000
Howard Lake-Waverly-Winsted ISD 2687 431 4th St N Winsted, MN 55395	3	07971419-0000

SFM Select Insurance Company  
Workers' Compensation and Employers' Liability Policy

90 Day Reporting Requirement - Notification of Change in Ownership Endorsement

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

This endorsement, effective on **07/01/2023** at 12:01 A.M. standard time, forms a part of Policy **127777.204** issued to **Howard Lake-Waverly-Winsted ISD 2687**.

You must report any change in ownership to us in writing within 90 days of the date of the change. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity, and other changes provided for in the applicable experience rating plan. Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes.

Failure to report any change in ownership, regardless of whether the change is reported within 90 days of such change, may result in revision of the experience rating modification factor used to determine your premium.

This reporting requirement applies regardless of whether an experience rating modification is currently applicable to this policy.

SFM Select Insurance Company  
Workers' Compensation and Employers' Liability Policy

Terrorism Risk Insurance Program Reauthorization Act Disclosure

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

This endorsement, effective on **07/01/2023** at 12:01 A.M. standard time, forms a part of Policy **127777.204** issued to **Howard Lake-Waverly-Winsted ISD 2687**.

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2019. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

### Definitions

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

"Act" means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2019.

"Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States, as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property, or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
- d. The act has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

"Insured Loss" means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

"Insurer Deductible" means, for the period beginning on January 1, 2021, and ending on December 31, 2027, an amount equal to 20% of our direct earned premiums during the immediately preceding calendar year.

**Limitation of Liability**

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a calendar year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds \$100,000,000,000; and for aggregate Insured Losses up to \$100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

**Policyholder Disclosure Notice**

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses occurring in any calendar year exceed \$200,000,000, the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.
2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.
3. The premium charge for the coverage your policy provides for Insured Losses is included in the amount shown in Item 4 of the Information Page or in the Schedule below.

**Schedule**

<b>State</b>	<b>Rate per \$100 of Payroll</b>
MINNESOTA	\$0.005

SFM Select Insurance Company  
Workers' Compensation and Employers' Liability Policy

Experience Rating Modification Factor Revision

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

This endorsement, effective on **07/01/2023** at 12:01 A.M. standard time, forms a part of Policy **127777.204** issued to **Howard Lake-Waverly-Winsted ISD 2687**.

This endorsement is added to Part Five - Premium of the policy.

The premium for the policy is adjusted by an experience rating modification factor. The factor shown on the Information Page may be revised and applied to the policy in accordance with our manuals and endorsements. We will issue an endorsement to show the revised factor, if different from the factor shown, when it is calculated.

SFM Select Insurance Company  
Workers' Compensation and Employers' Liability Policy

Audit Noncompliance Charge Endorsement

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

This endorsement, effective on **07/01/2023** at 12:01 A.M. standard time, forms a part of Policy **127777.204** issued to **Howard Lake-Waverly-Winsted ISD 2687**.

Part Five-Premium, Section G. (Audit) of the Workers Compensation and Employers Liability Insurance Policy is revised by adding the following:

If you do not allow us to examine and audit all of your records that relate to this policy, and/or do not provide audit information as requested, we may apply an Audit Noncompliance Charge. The method for determining the Audit Noncompliance Charge by state, where applicable, is shown in the Schedule below.

If you allow us to examine and audit all of your records after we have applied an Audit Noncompliance Charge, we will revise your premium in accordance with our manuals and Part 5-Premium, E. (Final Premium) of this policy.

Failure to cooperate with this policy provision may result in the cancellation of your insurance coverage, as specified under the policy.

**Note:**

For coverage under state-approved workers compensation assigned risk plans, failure to cooperate with this policy provision may affect your eligibility for coverage.

**Schedule**

<b>States(s)</b>	<b>Basis of Audit Noncompliance Charge</b>	<b>Maximum Audit Noncompliance Charge Multiplier</b>
MN	Estimated Annual Premium	2.0

SFM Select Insurance Company  
 Workers' Compensation and Employers' Liability Policy

Premium Discount Endorsement

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

This endorsement, effective on **07/01/2023** at 12:01 A.M. standard time, forms a part of Policy **127777.204** issued to **Howard Lake-Waverly-Winsted ISD 2687**.

The premium for this policy and the policies, if any, listed in item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in item 1 or 2 of the Schedule. The final calculation of premium discount will be determined by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

SCHEDULE

1.	State	Estimated Eligible Premium			
		First	Next	Next	
		\$5,000	\$95,000	\$400,000	Balance
	MINNESOTA	-0-	9.1%	11.3%	12.3%

2. Average percentage discount: \_\_\_\_\_%

3. Other Policies:

4. If there are no entries in items 1, 2, and 3, of the Schedule see the Premium Discount Endorsement attached to your policy number:

SFM Select Insurance Company  
Workers' Compensation and Employers' Liability Policy

Minnesota Amendatory Endorsement

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

This endorsement, effective on **07/01/2023** at 12:01 A.M. standard time, forms a part of Policy **127777.204** issued to **Howard Lake-Waverly-Winsted ISD 2687**.

This endorsement applies only to the insurance provided because Minnesota is shown in Item 3.A. of the Information Page

**Part Two -- Employers Liability Insurance**

E. **We Will Also Pay** is amended to read:

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings;
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
3. Litigation costs taxed against you;
4. Your share of pre-or postjudgement interest assuming that the principal amount of that judgement is within the applicable policy limits under this insurance; and
5. Expenses we incur.

H. **Recovery From Others** is amended to read:

Our ability to exercise your rights to recover our payment from anyone liable for injury covered by this insurance does not apply if that other person is insured for the same loss by us. This limitation applies only if the loss was caused by the nonintentional acts of the person against whom subrogation is sought.

**Part Five -- Premium**

G. **Audit** is amended to read:

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data.

We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends, except as it pertains to Part Two -- Employer's Liability Insurance which shall be one year. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

SFM Select Insurance Company  
Workers' Compensation and Employers' Liability Policy

Minnesota Cancellation and Nonrenewal Endorsement

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

This endorsement, effective on **07/01/2023** at 12:01 A.M. standard time, forms a part of Policy **127777.204** issued to **Howard Lake-Waverly-Winsted ISD 2687**.

This endorsement applies only to the insurance provided because Minnesota is shown in Item 3.A. of the Information Page.

**Cancellation of a New Policy**

If this policy is a new policy and has been in effect for fewer than 90 days, we may cancel for any reason by giving you notice at least 60 days before the effective date of cancellation.

**Cancellation of Other Policies**

If this policy has been in effect for 90 days or more, or if it is a renewal of a policy we issued, we may cancel **for one or more** of the following reasons:

1. Nonpayment of premium;
2. Misrepresentation or fraud made by you or with your knowledge in obtaining the policy or in pursuing a claim under the policy;
3. An act or omission by you that substantially increases or changes the risk insured;
4. Refusal by you to eliminate known conditions that increase the potential for loss after notification by us that the condition must be removed;
5. Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing this policy;
6. Loss of reinsurance by us which provided coverage to us for a significant amount of the underlying risk insured. Any notice of cancellation pursuant to this item shall advise you that you have 10 days from the date of receipt of the notice to appeal the cancellation to the commissioner of commerce and that the commissioner will render a decision as to whether the cancellation is justified because of the loss of reinsurance within 30 business days after receipt of the appeal;
7. A determination by the commissioner that the continuation of the policy could place us in violation of the Minnesota insurance laws; or
8. Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to your obtaining or continuing this policy. This item shall not apply to persons who are retired at 62 years of age or older or who are disabled according to Social Security standards.

If we cancel your policy for any of the reasons listed in (2) through (8), we will give notice at least 60 days before the effective date of cancellation.

**Notice of Cancellation**

Any notice of cancellation under this endorsement shall be in writing and shall be sent by first class mail or delivered to you and any agent, to the last mailing addresses known to us. A cancellation notice for nonpayment of premium must be sent at least 30 days before the actual date of cancellation and shall state the amount of premium due and the due date, and shall state the effect of nonpayment by the due date. Cancellation shall not be effective if payment of the amount due is made prior to the effective date of cancellation in the notice. A cancellation notice for some other reason shall state the specific reason for cancellation and shall state the effective date of cancellation. The policy will end on that date.

### **Refunds Due You**

If this policy is canceled, we will send you any premium refund due. If we cancel, the refund will be pro rata. If you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

### **Nonrenewal of Your Policy**

Any notice of nonrenewal shall be in writing and shall be sent by first class mail, or delivered to you and any agent, to the last mailing addresses known to us, at least 60 days before the expiration date.

We need not mail or deliver this nonrenewal notice if you have:

1. Insured elsewhere;
2. Accepted replacement coverage; or
3. Requested or agreed not to renew this policy.

# **SFM Mutual Insurance Companies Policyholder Safety Program Notice**

As a policyholder of SFM Mutual Insurance Companies and in accordance with Minnesota Statute 79.085 you have a right to request and receive safety and occupational health loss control consultation services. These services could include a workplace safety survey to identify health and safety problems, a review of injury records with appropriate personnel and development of plans to improve occupational health and safety records. These services can be requested at the following address and/or phone number

SFM Mutual Insurance Companies  
P.O. Box 9416  
Minneapolis, MN 55440  
952-838-4200 or Toll Free 1-800-937-1181