



May 01, 2021

Board of Directors

Terry Davidson,
Chairman
Finance Director:
Comanche Schools

Rick Thomas,
Vice Chairman
Superintendent:
Skiatook Schools

Dr. John Cox,
Treasurer
Superintendent:
Peggs Schools

Sherry Durkee,
Secretary
Superintendent:
Sand Springs
Schools

Brad Overton,
Member
Superintendent:
Cordell Schools

Randy Hughes,
Member
Superintendent:
McAlester Schools

Shelley Free,
Member
Superintendent:
Kiamichi Technology
Center

Executive Director

David Martin

Arthur J. Gallagher Risk Management Services, In
1300 South Main
Tulsa, OK 74119

Re: Welch ISD #17

Dear OSIG Agent:

Attached is the OSIG proposal for your school client. Please review the quotation carefully and let us know if you have any questions or changes. Please keep the following facts in mind while reviewing this proposal with your school client:

- Coverages available in the program include: Property, Boiler, Crime, Automobile, General Liability, School Board Legal Liability, Cyber Liability, Pollution Liability, School Violent Acts Protection
- Optional increased deductible quotes can be provided upon request if the members seek alternatives to reduce their insurance costs.
- Members can also mitigate risk and reduce insurance cost by changing obsolete buildings to Actual Cash Value, or Debris Removal Only. DRO is a great option for buildings that would not be replaced if damaged.
- The non-profit structure of our program aids in stabilizing rates. OSIG retains the underwriting profit and investment income, and is designed to be a long term insurance solution for Oklahoma schools.
- Gallagher, the administrator for OSIG, brings a level of expertise to the table that should make you and your schools feel comfortable.

We urge you to be prepared and understand the importance of OSIG's excellent financial condition and to be familiar with the financial hurdles of our competitor.

For the 2021-2022 plan year, we are requiring the resolution to be signed by the member's Board of Education and returned to OSIG in order to bind coverage effective 07/01/21.

Please feel free to contact us to discuss this proposal and conditions in the marketplace in detail. We are here to assist you in protecting your schools districts.

Sincerely,

OSIG Program Administration



May 01, 2021

Board of Directors

Terry Davidson,
Chairman
Finance Director:
Comanche Schools

Nicholas Highsmith
Welch ISD #17
P O Box 189
Welch, OK 74369

Rick Thomas,
Member
Superintendent:
Skiatook Schools

RE: Membership Proposal Effective 7/1/2021

Dear Nicholas Highsmith:

Dr. John Cox,
Treasurer
Superintendent:
Peggs Schools

We are very pleased to provide you with the attached proposal for insurance coverages with Oklahoma Schools Insurance Group (OSIG).

OSIG is not a conventional insurance program. We are a public entity in the state of Oklahoma formed by an Interlocal Agreement and made up of member public school districts. Our organization is non-profit, member owned, and controlled by a board of your peers. Our sole mission is to serve our member schools. Our promise is to provide quality insurance coverage and superior service at stable pricing. We are pleased that 457 school districts are members of OSIG. Our membership is strong and committed.

Sherry Durkee
Secretary
Superintendent:
Sand Springs
Schools

OSIG's financial position is excellent. No other Oklahoma school insurance program can provide you with this security. Our organization is continuously growing, improving and looking for new ways to serve Oklahoma schools. The group purchasing power of OSIG and a non-profit structure provides competitive insurance rates even in tough financial times.

Brad Overton,
Member
Superintendent:
Cordell Schools

Included in this proposal is information on OSIG's financial condition and summaries of enhanced coverages that only OSIG provides.

Randy Hughes,
Member
Superintendent:
McAlester Schools

For the 2021-2022 plan year, we are requiring the resolution to be signed by the member's Board of Education and returned to OSIG in order to bind coverage effective 07/01/2021.

Shelley Free
Member
Superintendent:
Kiamichi Technology
Center

Loss control, risk management services, and specialized insurance coverages included in OSIG program are:

- Enhanced Property and Liability Coverage
- Cyber Liability, Crime, Pollution, School Violent Acts Protection
- Online Training in many different areas for your school employees
- Loss Control Site Surveys / Safety Inspections
- Member Only Risk Management Library at www.osig.org
- StopIt Anonymous Incident Reporting Mobile App & Web App

Executive Director

David Martin

If you have any questions about the insurance procurement process or this proposal, please contact your local agent or any member of the OSIG administration team. Contact names and phone numbers are included in the proposal.

Sincerely,

OSIG Program Administration

Cc: Arthur J. Gallagher Risk Management Services, Inc.



Welch ISD #17
 P O Box 189
 Welch, OK 74369

This is not an invoice.

Breakdown of Insurance Cost

Annual Premium Breakdown	
Property:	\$65,439
Boiler & Machinery:	\$360
Auto Physical Dmg:	\$1,470
General Liability:	\$1,825
Auto Liability:	\$2,431
Educators Legal:	\$1,823
Excess Liability:	\$542
Total Annual:	\$73,890

A 25% minimum earned premium applies.

Agent's Commission = 8.0%

Your historical billed premiums, total insured values and loss information are shown in the charts below.

Year	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Total Values	\$15,146,717	\$15,387,137	\$15,399,356	\$15,676,975	\$18,611,978	\$19,705,732
Premium	\$38,856	\$38,452	\$40,153	\$42,082	\$43,768	\$58,225
Distribution	\$0	\$1,664	\$0	\$0	\$1,904	\$0

Number of Claims:	Insurance Cost Paid to OSIG (incl Endts):	Incurred Claims:	Loss Ratio:
3	\$260,746	\$6,428	2.47%

Your losses are considered in the calculation of the cost of your insurance. Your dedication to maintaining your property and providing safe campuses for your students and community will result in savings in the cost of your insurance.

Payment Terms

Payment of the insurance cost is due the effective date of your coverage. **A copy of your purchase order encumbering funds for payment of your insurance should be provided to OSIG as soon as available.** A three (3) payment plan option is available.

- Installment #1 1/3 of total due 7/1/21
- Installment #2 1/3 of total due 8/1/21
- Installment #3 1/3 of total due 9/1/21

P. O. Box 3068
 Tulsa, OK 74101-3068
 Phone 918-764-1686 ▪ Toll Free 866-444-0061

Coverages

OSIG provides a full range of property and liability coverages with the exception of workers compensation. Crime and Cyber Liability coverages are included in pool limits.

Property

- Full Replacement Cost - Except Roofs over 15 years old and Autos, Contractors Equipment & Debris Removal Only adjusted at ACV
- No Coinsurance Clause
- Exclusion - Cosmetic loss to metal roof coverings caused by hail
- Real And Personal Property- Limit Per Occurrence \$700,000,000
- Building - 125% of scheduled limits per statement of value
- Business Personal Property - blanket coverage per statement of values
including:
 - Electronic Data Processing Equipment, and Media
 - Accounts Receivable
 - Valuable Papers
 - Fine Arts
 - Miscellaneous Property
 - Miscellaneous Unnamed / Undescribed Property
 - Builder's Risk
 - *Note All Builder's Risk projects must be reported to OSIG - Frame projects are subject to approval
 - Outdoor Property - covered all perils
 - Extra Expense
 - Business Income including Rental Income and Tuition Income
 - Ordinance or Law including Increased Cost of Construction and Demolition
 - Contractor's Equipment Coverage
 - Debris Removal Coverage
 - Covered Property In Transit
 - Personal Property of Others/Officers/Employees
 - Off Premises Services Interruption including Extra Expense
 - Vehicle Damage
- Newly Acquired Property Coverage - 120 days \$25,000,000
- Earthquake, Volcanic Eruption- Aggregate Any One Policy Year \$10,000,000
- Flood- Aggregate Any One Policy Year \$25,000,000
*Note Flood Zones A and V are excluded
- Terrorism \$500,000,000
- Pollution Liability included
- Boiler And Machinery Coverage- Any One Occurrence \$200,000,000

Please refer to the attached property and automobile schedules for your school district's limits of insurance for Building, Contents, Extra Expense, Miscellaneous Property, EDP, Earthquake, Flood and Automobile Physical Damage coverage.

Deductibles Optional increased deductible quotations are available upon request.

- \$2,500 Property Deductible Per Occurrence
- \$5,000 Property Deductible Per Occurrence- Windstorm / Hail
- \$1,000 Boiler / Machinery Deductible per Occurrence
- \$10,000 Terrorism Deductible Per Occurrence
- \$50,000 Flood, Earthquake and Pollution

General Liability

- \$1,000,000 Limit Per Occurrence (subject to the Governmental Tort Claims Act)
- Bodily Injury, Property Damage And Personal / Advertising Injury
- Premises / Operations And Products / Completed Operations
- Miscellaneous Medical Professional to Include School Nurses, Student Nurses, Counselors and Allied Health Programs
- Insureds Include District, Board Members, Employees, Student Teachers, And Volunteers
- No Exclusions for Corporal Punishment or Sexual Misconduct
- No Deductible
- PTA/PTO's included for coverage if funds flow through school's books.

School Board Legal Liability

- Claims-Made Form
- \$1,000,000 Limit Per Occurrence (subject to the Governmental Tort Claims Act)
- Errors And Omissions Liability including Educational Errors And Omissions
- Employment Practices Liability
- Insureds Include District, Board Members, Employees, Student Teachers, and Volunteers
- *Unlimited Prior Acts / No retroactive date included
- \$25,000 legal costs for IEP administrative hearings
- \$2,500 Deductible
- *Any incidents or potential claims that have been reported to the superintendent, any associate superintendent, principal, assistant principal, personnel directors, dean or school attorney should be reported to your current carrier immediately.

Employee Benefit Liability

- Claims Made Form
- Unlimited Prior Acts / No retroactive date included
- *Any incidents or potential claims that have been reported to the superintendent, any associate superintendent, principal, assistant principal, personnel directors, dean or school attorney should be reported to your current carrier immediately.

Automobile Liability

- \$1,000,000 Limit Per Occurrence (subject to the Governmental Tort Claims Act)
- Bodily Injury And Property Damage
- Includes Hired and Non-Owned Exposures
- Includes Uninsured and Underinsured Motorists (Oklahoma Minimum Limits)
- Insureds Include District, Board Members, Employees, Student Teachers, and Volunteers
- Coverage included for garage liability and garage keepers legal liability.
- \$1,000 Auto Property Damage Deductible
- No charge for vehicles added/deleted during the policy term. Vehicle changes must be reported to OSIG.

Automobile Physical Damage

- Actual Cash Value
- \$1,000 Deductible
- Vehicle additions / deletions / changes must be reported to OSIG
- No charge for vehicles added/deleted during the policy term.
- Please refer to the attached schedule of vehicles.

Crime

- \$10,000 Limit Per Occurrence / Per District
- Employee Dishonesty
- Premises Money And Securities
- Transit Money And Securities
- \$1,000 Deductible

Cyber Liability

- Claims-Made Form
- Retro date - first effective date with OSIG
- Liability
 - \$2,000,000 Annual Aggregate Limit for Information Data and Network Liability
 - \$2,000,000 Annual Aggregate for Regulatory Defense and Penalties
 - \$2,000,000 Annual Aggregate for Payment Card Liability and Costs
 - \$2,000,000 Annual Aggregate for Media Liability
- First Party
 - \$2,000,000 Annual Aggregate for Cyber Extortion Loss
 - \$2,000,000 Annual Aggregate for Data Recovery Costs
 - \$2,000,000 Annual Aggregate for Business Interruption Resulting in Security Breach
 - \$500,000 Annual Aggregate for Business Interruption Resulting in System Failure
 - \$750,000 Annual Aggregate for Dependent Business Interruption Resulting in Security Breach
 - \$100,000 Annual Aggregate for Dependent Business Interruption Resulting in System Failure
- \$10,000 Deductible

School Violent Acts Protection

- \$25,000 Each Occurrence Limit
- \$250,000 Aggregate Limit (all members, all claims)
- No Deductible
- \$25,000 Property/Safety Improvements following School Violent Act

Excess Liability

- Excess Primary Limits \$2,000,000
- Follow Form Underlying - Excluding Employers Liability

Note: Per Occurrence Limits are shared limits except as otherwise indicated.

Property Schedule

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Welch ISD #17

Location	Occupied As	Bldg Value	Contents Val
10530 S. 4430 Roa	*Vo Ag Show Barn	\$228,620	\$22,909
309 W. 6th	Elementary/Cafeteria/Middle School	\$4,729,205	\$594,880
309 W. 6th	Preschool (Portable Building) #1	\$59,441	\$7,148
309 W. 6th	Preschool (Portable Building) #2	\$59,441	\$7,148
309 W. 6th	Walk-In Freezer @ Elementary	\$13,717	\$5,727
403 W. 6th	Old Gym	\$1,855,172	\$185,760
707 S. Curtis	Asphalt Track	\$61,224	\$0
707 S. Curtis	Bleachers @ FB Field	\$2,698	\$0
707 S. Curtis	Bleachers @ FB Field/Lighting	\$87,707	\$0
707 S. Curtis	Bleachers @ Football Field	\$57,155	\$0
707 S. Curtis	Fence @ FB Field	\$9,183	\$0
707 S. Curtis	Fence @ Softball Field	\$33,620	\$0
707 S. Curtis	Football Concession & Football Ticket Booth & Storage	\$214,455	\$21,446
707 S. Curtis	Football Field Lighting	\$155,198	\$0
707 S. Curtis	Football Field Stadium Handicap Seating & Seating	\$128,494	\$0
707 S. Curtis	Football Fieldhouse	\$669,112	\$82,483
707 S. Curtis	High School	\$4,683,737	\$824,820
707 S. Curtis	Kindergarten Portable Classroom	\$118,881	\$14,317
707 S. Curtis	New Gym	\$2,563,200	\$291,827
707 S. Curtis	Pressbox @ FB Field	\$12,242	\$2,382
707 S. Curtis	SB Pressbox	\$6,859	\$687
707 S. Curtis	SB Scoreboard	\$5,716	\$0
707 S. Curtis	Scoreboard @ FB Field	\$8,573	\$0
707 S. Curtis	Softball Concession Storage	\$24,490	\$3,574
707 S. Curtis	Softball Field Lighting	\$61,273	\$0
707 S. Curtis	Walk In Cooler	\$5,716	\$1,145
707 S. Curtis	Walk In Freezer-Ag	\$5,716	\$1,145
714 S. Curtis	BB Dugouts	\$5,716	\$0
714 S. Curtis	BB Field Storage	\$11,432	\$4,582
714 S. Curtis	Bleachers @ BB Field	\$3,676	\$0
714 S. Curtis	Bus Garage	\$142,659	\$59,563
714 S. Curtis	Fence @ BB Field	\$57,155	\$0
714 S. Curtis	Lights @ BB Field	\$51,439	\$0
714 S. Curtis	Little League Baseball Field incl. backstops, fences, dugouts, lights, etc.	\$84,052	\$0
714 S. Curtis	Restrooms @ BB Field	\$28,578	\$4,582
714 S. Curtis	SB/FB Ticket Booth	\$5,716	\$573
714 S. Curtis	Scoreboard @ BB Field	\$3,064	\$0
		<u>\$16,254,332</u>	<u>\$2,136,698</u>

Floater Limit	<u>\$150,000</u>	Auto Values:	<u>\$433,681</u>
EDP Limit	<u>\$250,000</u>	Total Values:	<u>\$19,724,711</u>
Extra Expense Limit	<u>\$500,000</u>		

Auto Schedule

Report Printed: 05/01/2021 08:40 pm

Welch ISD #17

Vehicle No	Year	Make	Model	Capacity	VIN	Actual Value
1	2009	Ford	E150 Van	8	1FMNE11W99DA50655	\$21,385
2	2010	Ford	F250		1FTSW2B58AEB44296	\$29,128
3		14' Utility	Trailer			\$1,200
4	2015	Alum-Line	Gooseneck Trailer		1A9LG2426F2241420	\$25,310
5	2006	International	Bus	65	4DRBUAFP56B256795	\$8,000
6	2019	Ford	F250 Pickup		1FT7W2BT8KEG41984	\$39,608
7	2020	International	Bus	53	4DRBUC8P1LB234247	\$89,520
8	2020	International	Bus	53	4DRBUC8P3LB234248	\$89,520
9	2020	International	Bus	65	4DRBUC8P1LB234264	\$91,420
10	2020	Chevy	Suburban		1GNSCKEC4LR206203	\$38,590

Total Value of All Autos for Welch ISD #17: **\$433,681**



Overview

Background

The Oklahoma Schools Insurance Group (OSIG) is a public entity of the State of Oklahoma, formed as an Interlocal Agreement in accordance with 74 O.S. 1004(f), for the purpose of joining together a group of Oklahoma public school districts. OSIG will allow member districts to more efficiently and more economically obtain and manage their insurance programs.

OSIG obtained approval to operate from the Oklahoma Attorney General on June 28, 2001. Effective July 1, 2002, OSIG began full operation by providing its member districts with broad insurance coverage through "A" rated insurance carriers and professional risk management services. Over the past 18 years, OSIG's membership has grown to 457 and the program insures more than \$16 Billion in school property across Oklahoma.

Structure

OSIG is a **non-profit, member-owned**, public entity program whose management is completely controlled by a Board of your peers. Our singular mission is to provide quality insurance coverage and service to our members. OSIG's mission statement is

"The mission of Oklahoma Schools Insurance Group (OSIG) is to provide quality, cost effective risk management products and services to member schools".

The group purchases insurance and reinsurance from "A" rated carriers. OSIG's insurance providers are long term partners and committed to OSIG and Oklahoma schools.

OSIG has contracted with Arthur J. Gallagher & Company in Tulsa to administer the program. Gallagher is one of the largest insurance brokers in the world and manages programs similar to OSIG across the country.

It is important to know that the insurance coverage provided by OSIG was specifically tailored to meet the needs of Oklahoma schools. The coverage is what you need to protect your schools' property, your students, and patrons.

The strength of the liability portion of OSIG's offering is also important during these tough times. The program is backed by the foremost specialist in school liability insurance in the country. United Educators Insurance Company is second to none.

Losses are a part of life. Only OSIG has the collective strength and staying power to provide the protections you need. By remaining together as a group, OSIG will be able to continue to provide you with the quality, fair-priced insurance and risk management services you need to protect your schools' assets, your board, your staff and most importantly your children.

Financial Strength

OSIG is financially strong and we have the funds (cash) we need to pay your claims. OSIG has returned more than \$9 million to our members over the years as distributions. Surplus at year ended 6/30/20 was more than \$13.7 million and our assets were more than \$31 million.

We believe in complete transparency. We submit to an annual financial audit each year end and share the operating results at our annual members meeting held each year.

The financial condition of an insurance group should be of utmost importance to you when choosing an insurance partner for your district. If your insurer can't pay their claims, then the policy is a worthless stack of paper.

<i>Statement of Net Assets</i>	
<i>As of 6/30/20</i>	
Cash	\$ 20,821,106
Other Assets	\$ 10,743,310
Total Assets	\$ 31,564,416
Notes Payable	\$ -
Other Liabilities	\$ 17,789,447
Total Liabilities	\$ 17,789,447
Total Net Assets/Surplus	\$ 13,774,969

We urge you to obtain and review audited financial statements from every insurance provider that may offer your school district a quote. Financial statements are required by law and can be obtained at www.ok.gov/oid. Click on Interlocals under the Quick Links section of the home page. Your school's auditor can help in analyzing the statements.



Important Plan Information

It is important to understand that OSIG is not an insurance company, but rather a non-profit, cooperative risk management program owned and directed by Oklahoma Schools. Its mission is to reduce insurance costs and stabilize rates by aggregating purchasing power with an intense focus on controlling member losses. When losses are controlled, OSIG's member schools retain the underwriting profit and investment income thereby increasing fund reserves for future years. OSIG purchases per occurrence and liability aggregate protection for its member schools. The per occurrence insurance protects member schools up to \$700,000,000 for property losses and \$1,000,000 for liability claims in each and every occurrence subject to a \$10M annual aggregate limit. The aggregate insurance protection is purchased in the unlikely event that sum total of all OSIG losses are significantly more than actuarially projected. Additional excess liability limits are available for members requiring higher limits.

This proposal is an outline of the coverages proposed by insurers based on the information provided by your school district. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. Please refer to the plan document for the details.

Actuarial Review

An independent actuary has been retained by OSIG to make projections as to anticipated claims and losses the program should expect on an annual basis. The OSIG actuary has relied on the historical loss experience and exposures provided to OSIG by the member school districts to make projections of OSIG's expected losses. OSIG adequately funds to, or in excess of, the expected loss projections through member contributions (insurance cost) and our own surplus.

Membership contributions are used to buy insurance, pay administrative expenses, and fund for members' claims. Similar successful programs throughout the country for schools and municipalities are protected using the same insurance structure as OSIG has deployed. As with any insurance mechanism, OSIG does not guarantee full funding in the event unimaginable losses would materialize that are many times greater than what is indicated by past history. The OSIG board is charged with developing a plan to address under funding in this unlikely event.

Procedure to Renew Coverage

Notify your agent of your acceptance of this insurance renewal proposal. Your agent will advise the OSIG administrative staff in writing that you wish to renew the insurance coverage.

The signed Resolution by the member's Board of Education and return to OSIG in order to bind coverage effective 07/01/2021.

Payment Terms

Payment of the insurance cost is due the effective date of your coverage. A copy of your purchase order encumbering funds for payment of your insurance should be provided to OSIG as soon as available. A three (3) payment plan option is available.

Installment #1 1/3 of total due 7/1/21

Installment #2 1/3 of total due 8/1/21

Installment #3 1/3 of total due 9/1/21

A 25% minimum earned premium applies.

Risk Management And Loss Control Tools

Loss Control Site Consultation

StopIt Anonymous Incident Reporting Mobile App & Web App

Risk Management focused website www.osig.org

Examples of Online training:

Free of charge to all members of OSIG

Online 24/7 access to training

Training modules include:

- Promoting Child Safe Environments - two training platforms
(Fulfills legislative mandate for child abuse awareness training)
- Workplace Harassment Prevention
- Short Term International Programs
- Teaching Science Safely
- Contracting and Risk Allocation
- Driver Safety
- Youth Athletics
- Crisis Response Planning



Contacts For Questions

Coverage Questions

Your Local Agent or:

Jennifer McKenzie
Arthur J. Gallagher Risk Management Services Inc. - Tulsa
1300 South Main
Tulsa, OK 74119
Phone: 918-764-7137
Toll-Free: 866-444-0061
Fax: 866-420-0695
Email: jennifer_mckenzie@ajg.com

Eastern Oklahoma Schools (East of I-35)

Guy Griggs
Keystone Insurance
11 East Broadway
Sand Springs, OK 74063
Phone: 918-245-2558
Fax: 918-245-8553
Email: guy.griggs@insurica.com

General Program Questions

David Martin
Executive Director
P O Box 3068
Tulsa, OK 74101
Phone: 918-688-1056
Fax: 866-420-0695

OSIG Board Members

Terry Davidson - Chairman	Comanche Schools	(580) 439-2900
Rick Thomas - Vice Chairman	Skiatook Schools	(918) 396-1792
Dr. John Cox - Treasurer	Peggs Schools	(918) 598-3412
Sherry Durkee - Secretary	Sand Springs Schools	(918) 246-1406
Randy Hughes - Member	McAlester Schools	(918) 423-4771
Brad Overton - Member	Cordell Schools	(580) 832-3220
Shelley Free - Member	Kiamichi Technology Center	(918) 465-2323

Resolution of Welch ISD #17 to Join Oklahoma Schools Insurance Group

Whereas, Oklahoma Schools Insurance Group (“OSIG”) is an Oklahoma interlocal formed in accordance with Oklahoma law to enable Oklahoma School Districts to cooperate with each other to procure insurance services, benefits and insure against losses and possible liabilities in the most cost effective manner; and

Whereas, Welch ISD #17 is an Oklahoma public school district (“the District”); and

Whereas, OSIG has provided to the District a Plan Document which includes a quotation for certain insurance coverages for the 2021/2022 plan year; and

Whereas, the quotation is acceptable to the District;

Now, therefore be it resolved, that the District hereby joins OSIG as a Member;

Be it further resolved, that so long as the District remains as a Member, the District shall comply with OSIG’s bylaws, the Plan Document, and OSIG claim reporting procedures; and

Be it further resolved, that by the adoption and signing of this resolution, Welch ISD #17 understands and agrees that school district members are responsible for their own loss experience and will not be singly responsible for other members’ losses.

Date: _____

Welch ISD #17

By: President, Board of Education

ATTEST:

Clerk, Board of Education