

MULTI LINE REINSURANCE AGREEMENT

3128215

ISSUED TO

South Carolina School Boards Insurance Trust

(HEREINAFTER REFERRED TO AS "SCSBIT")

BY

Great American Insurance Company

(HEREINAFTER REFERRED TO AS "Great American")

DATED AS OF

July 1, 2018

Words and phrases in quotation marks have special meanings and are defined in Article XXI – Definitions or elsewhere in this Agreement.

ARTICLE I
PARTIES TO THE AGREEMENT

This Agreement is solely between SCSBIT and Great American. Performance of the obligations of each party under this Agreement shall be rendered solely to the other party. This Agreement does not establish rights in any third party except as may be specifically set forth herein.

ARTICLE II
COVERED BUSINESS

In consideration of the payment of the premium amount set forth in Schedule D, Great American hereby reinsures SCSBIT to the extent and on the terms and conditions and subject to the within exceptions, exclusions and limitations.

ARTICLE III
COMMENCEMENT AND TERMINATION

- A. This Agreement shall take effect at 12:01 A.M. local time at the offices of SCSBIT, on the date as of date above (the "Effective Date") and shall expire on the Termination Date. As used herein the term "Termination Date" means 12:01 A.M. local time at the offices of SCSBIT, one calendar year after the Effective Date or any earlier date arising from an early termination of this Agreement. As used herein the phrase "Term of this Agreement" means the period of time beginning on the Effective Date and ending on the Termination Date. The obligations of the parties with respect to Policies reinsured under this Agreement shall remain in effect until all obligations of the parties under this Agreement have been satisfied.

- B. This Agreement may be terminated by either party sending to the other a written notice in the form and in the manner required by this Agreement stating the time and date when, not less than 90 days after the date of mailing of such notice, termination shall be effective.

ARTICLE IV
REINSURING AGREEMENT & LOSSES NOT COVERED

- A. Subject to SCSBIT's payment of SCSBIT's "Per Occurrence Retained Amounts" and subject to the applicable per "Occurrence" limit of liability set forth in Schedule A, Great American shall indemnify SCSBIT for "Ultimate Net Loss" each "Occurrence" for those losses occurring with a date of loss during the "Term of this Agreement" and covered by the Policies issued to the members of SCSBIT.
- B. When and if SCSBIT's payment of "Per Occurrence Retained Amounts" exceeds the Aggregate Stop-Loss Amount set forth in Schedule A for losses and "Allocated Loss Adjustment Expense" subject to reinsurance under this Agreement, SCSBIT's "Per Occurrence Retained Amount" shall be reduced to the Maintenance Retained Amount set forth in Schedule A.
- C. SCSBIT's "Per Occurrence Retained Amount" is SCSBIT's direct obligation and SCSBIT shall directly pay all amounts within SCSBIT's "Per Occurrence Retained Amount" as those amounts become due. If SCSBIT refuses to timely respond to its obligation for the payment of amounts within SCSBIT's "Per Occurrence Retained Amount" for any reason, the reinsurance provided by this Agreement shall not make any payments for amounts within SCSBIT's "Per Occurrence Retained Amount".
- D. If Great American is legally compelled to make or, if in Great American's sole discretion, Great American makes any payment outside of "Great American's Layer", SCSBIT shall immediately reimburse Great American for the full amount paid outside of Great American's Layer and until Great American is fully reimbursed, the unreimbursed payments made by Great American shall reduce the applicable limits of liability available under this reinsurance.
- E. In the event of losses caused by one "Occurrence" that are covered by the Policies involving multiple lines of business reinsured hereunder, only one "Per Occurrence Retained Amount" will apply to all "Ultimate Net Loss" caused by the one "Occurrence". The applicable retention will be determined by comparing the "Per Occurrence Retained Amount" for each involved line of business and choosing the highest applicable "Per Occurrence Retained Amount".
- F. This Agreement does not reinsure SCSBIT nor does it provide protection for:
1. "Ultimate Net Loss" occurring before the Effective Date or after the Expiration Date;
 2. "Declaratory Judgment Expense";
 3. "Losses In Excess Of Policy Limits";
 4. "Extra Contractual Obligations";
 5. "Policies" issued by SCSBIT to members that are not in conformity with Great American's underwriting and eligibility guidelines (See Reinsurance Referral Guidelines in Appendix A) unless Great American shall have accepted such risk in writing;
 6. That portion of any "Ultimate Net Loss" in excess of Great American's Limit of Liability;

7. That portion of any "Ultimate Net Loss" below SCSBIT's "Per Occurrence Retained Amount";
8. "Ultimate Net Loss" arising from:
 - a) Mold, fungi, bacteria;
 - b) Silica;
 - c) Lead;
 - d) "Act of Terrorism";
 - e) Workers Compensation or Employer's Liability;
 - f) Crime;
 - g) Boiler & Machinery;
 - h) All business derived directly or indirectly from any Pool, Association or Syndicate, whether participation is voluntary or involuntary;
 - i) The peril of War;
 - j) Any actual, alleged, or threatened discharge, dispersal, release or escape of nuclear energy or radioactive contamination;
 - k) Any loss, cost, or expense arising out of any actual, alleged, or threatened discharge, dispersal, release, seepage, migration or escape of "pollutants;" or
 - l) Any loss, cost, or expense arising out of any (1) governmental direction or request that an insured must test for, monitor, evaluate, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of "pollutants" at any time or from any place or (2) claim or suit by or on behalf of any governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of "pollutants" ;
 - m) Any Liability or expense arising from the handling, processing, manufacture, sale, distribution, storage or use of asbestos, asbestos products, and/or products of containing asbestos;
 - n) Reinsurance assumed by SCSBIT whether voluntarily or involuntarily.
 - o) Any Policies issued by the SCSBIT that do not conform to the underwriting guidelines and forms that were submitted to Great American for underwriting acceptability and development of Great American's premium in connection with Great American's underwriting of this Agreement.

ARTICLE V
MANAGEMENT OF CLAIMS

- A. SCSBIT shall be responsible for the investigation and settlement or defense of all claims and losses. When requested by Great American, SCSBIT shall permit Great American, at the expense of Great American, to be associated with SCSBIT in the defense of claim(s), loss(es), or legal proceeding(s) which involve or, in the opinion of Great American, are likely to involve Great American.
- B. Great American acknowledges that claims reinsured under this Agreement may be adjusted by a third party administrator (TPA) under contract with SCSBIT. The TPA(s) set forth in Schedule C is the authorized TPA(s) as of the Effective Date of this Agreement. Changes to the approved TPA(s) must be approved by Great American 90 days prior to the effective date of change.
- C. This Article shall survive termination of this Agreement.

ARTICLE VI
LIMITS OF LIABILITY & PREMIUM

- A. The applicable Limit of Liability set forth in Schedule A and the rules below describe the limits of Great American's liability for "Ultimate Net Loss" under this Agreement regardless of the number of insureds, claimants, claims or suits.
 - 1. This reinsurance only applies to "Ultimate Net Loss" in excess of SCSBIT's "Per Occurrence Retained Amount".
 - 2. The applicable per "Occurrence" limit of liability incorporated in Schedule A is the most we will pay for "Ultimate Net Loss" arising from any one "Occurrence" covered by an applicable Policy.
 - 3. The "Excess Aggregate" limit of liability set forth in Schedule A is the most Great American will pay for any and all "Ultimate Net Loss" ceded by SCSBIT to Great American after the Aggregate Stop-Loss Amount has been exceeded by incurred losses and "Allocated Loss Adjustment Expense" subject to reinsurance under this Agreement.
 - 4. "Allocated Loss Adjustment Expense" erodes: (a) SCSBIT's "Per Occurrence Retained Amount," and (b) the applicable per "Occurrence" limit of liability.
- B. As a condition precedent to Great American's obligations hereunder, SCSBIT shall timely pay to Great American the premium due Great American.
- C. The parties hereto agree that the premium and Aggregate Stop-Loss Amount under this Agreement shall be determined based on the rates set forth in Schedule D and applied to SCSBIT's Member District Exposures in Appendix B.
- D. Subject to the minimum and deposit premium amount set forth in Schedule D, the premium under this Agreement is subject to adjustment in accordance with Article VI. E., F., and G.
- E. Additional or return premium due either party will be remitted within 30 days of the effective date of change.
- F. Great American may audit the premium and the Aggregate Stop-Loss Amount due under this Agreement to reflect the addition or deletion of named "Members". The final audit premium and the

Aggregate Stop-Loss Amount due under this Agreement shall be calculated in the same manner as the deposit premium. Final audit premium and the Aggregate Stop-Loss Amount will be calculated by multiplying the rates charged at inception by the exposures determined at audit.

SCSBIT shall provide Great American with all exposure information required by Great American to determine final premium within 60 days after the expiration of this Agreement. Great American shall have the right to audit the books and records of SCSBIT to determine the correct rating and exposures to be included in the final premium calculation.

- G. The final audit premium and Aggregate Stop-Loss Amount calculated to reflect the addition or deletion of "Members" due under this Agreement shall be calculated by line of business as set forth in Schedule D and Appendix B. SCSBIT shall provide Great American with all exposure information required by Great American to determine final premium within 60 days after the expiration of this Agreement. Great American shall have the right to audit the books and records of SCSBIT to determine the correct rating and exposures to be included in the final premium calculation.

ARTICLE VII **REPORTING**

- A. Within 30 days after the close of each quarter, SCSBIT shall deliver to Great American on forms acceptable to Great American the following information regarding SCSBIT's loss(es) and "Allocated Loss Adjustment Expense" subject to reinsurance under this Agreement:
1. losses paid by SCSBIT during the quarter and inception to date losses paid by SCSBIT;
 2. losses reported to SCSBIT during the quarter and inception to date losses reported to SCSBIT;
 3. increases and decreases in all of SCSBIT's outstanding loss reserves during the quarter and inception to date increases and decreases in all of SCSBIT's outstanding loss reserves;
 4. identification of and detail regarding any loss which SCSBIT's estimates will exceed 50% of the applicable "Per Occurrence Retained Amount" ;
 5. "Serious Injuries" and identification of and detail regarding any loss involving "Serious Injuries;" and
 6. "Allocated Loss Adjustment Expense" paid by SCSBIT during the quarter and inception to date "Allocated Loss Adjustment Expense" paid by SCSBIT.
- B. General: In addition to the reports required in paragraph A. above, SCSBIT shall furnish such other information as may be required by Great American for the completion of Great American's quarterly and annual statements, reports to Great American's reinsurers and Great American's internal records.
- C. All reports and information shall be rendered on forms or in format acceptable to Great American.

ARTICLE VIII
REINSURANCE SETTLEMENTS

Upon Great American's review of satisfactory proof of loss and sufficient evidence of the amount of "Ultimate Net Loss" payable under the Policy, any amounts falling within Great American's Layer may be forthwith paid to the approved TPA or SCSBIT, at Great American's option. Payments by Great American to the approved TPA shall be deemed to be payments made directly to SCSBIT under this Agreement.

ARTICLE IX
OTHER REINSURANCE / RECOVERIES

- A. If other valid and collectible reinsurance or insurance is available and applicable to any loss or expense covered by this Agreement, other than reinsurance or insurance which is specifically written as excess of the reinsurance afforded by this Agreement, the reinsurance or insurance afforded by this Agreement shall be in excess of and shall not contribute with such other reinsurance or insurance. Nothing herein shall be construed to make this Agreement subject to the terms of any other reinsurance or insurance.
- B. SCSBIT shall pay to or credit Great American with Great American's portion of any recovery obtained from salvage, subrogation, other insurance or other reinsurance. Adjustment expenses for recoveries shall be deducted from the amount recovered.
- C. Great American shall be subrogated to the rights of SCSBIT to the extent of its payments to SCSBIT. SCSBIT agrees to enforce its rights of salvage, subrogation, and its rights against insureds or to assign these rights to Great American.
- D. Recoveries shall be distributed to the parties in the reverse order of payment.
- E. This Article shall survive termination of this Agreement.

ARTICLE X
CURRENCY

All amounts payable hereunder shall be made in United States dollars. Wherever the word "Dollars" or the sign "\$" appear in this Agreement, they shall be construed to mean United States dollars. For purposes of this Agreement, where premium or "Ultimate Net Loss" is paid in currencies other than United States dollars, such amounts shall be converted into United States dollars at the actual rates of exchange as of the first date such amounts are due and payable.

ARTICLE XI
ERRORS AND OMISSIONS

Any inadvertent delay, omission or error shall not be held to relieve either party hereto from any liability which would attach to it hereunder if such delay, omission or error had not been made, provided such delay, omission or error is rectified immediately upon discovery.

ARTICLE XII
RESERVES AND TAXES

- A. Great American shall determine and maintain reserves as to Great American's portion of unearned premium, claims, losses, and adjustment expenses.

- B. SCSBIT shall be liable for all premium taxes on premium ceded to Great American under this Agreement. If Great American is obligated to pay any premium taxes on this premium, SCSBIT shall reimburse Great American.

ARTICLE XIII
ACCESS TO RECORDS

The parties, or their representatives, shall have access to the books and records of the other party at all reasonable times for the purpose of obtaining information concerning this Agreement or the subject matter of this Agreement.

ARTICLE XIV
ARBITRATION

- A. Any dispute or difference arising with reference to the formation, interpretation or effect of this Agreement, or any part thereof, shall be referred to a Board of Arbitration consisting of two arbitrators and an umpire.
- B. The members of the Board of Arbitration shall be active or retired disinterested officers of or lawyers for insurance or reinsurance companies.
- C. One arbitrator shall be chosen by the party initiating the arbitration and designated in the letter requesting arbitration. The other party shall respond within fifteen days advising of its arbitrator. The umpire shall thereafter be chosen by the two arbitrators. In the event either party fails to designate its arbitrator as indicated above, the other party is hereby authorized and empowered to name the second arbitrator, and the other shall be deemed to have waived its right to designate an arbitrator and shall not be aggrieved thereby. The two arbitrators shall then have thirty days within which to choose an umpire, and if unable to do so may apply to the American Arbitration Association for appointment of an umpire.
- D. Each party shall submit its case to the Board of Arbitration within one month from the date of the appointment of the umpire, but this period of time may be extended by unanimous written consent of the Board of Arbitration.
- E. The sittings of the Board of Arbitration shall take place at such site as near as practical equidistant between the parties and shall be governed by the United States Arbitration Act, Title 9 U.S.C. §1 et seq. unless otherwise mutually agreed by the parties to the arbitration. The written decision of the Board of Arbitration, or a majority of said Board, shall make specific findings of law and findings of fact in support of the final decision and shall be rendered at the earliest convenient date and shall be final and binding upon the parties both as to law and fact, and may not be appealed to any court of any jurisdiction and may be enforced in accordance with Article XVI below.
- F. SCSBIT and Great American shall each bear the fees and expenses of the arbitrator selected by it or designated on its behalf, and each party shall bear one half of the fees and expenses of the umpire.

ARTICLE XV
OFFSET

Each party hereto shall have and may exercise at any time and from time to time, the right to offset any balance or balances, whether on account of premiums or on account of losses or otherwise, due from such party to the other party under this Agreement or under any other reinsurance agreement heretofore or hereafter entered into by and between them, and may offset the same against any balance or balances

due or to become due to the former from the latter under the same or any other reinsurance agreement between them; and the party asserting the right of offset shall have and may exercise such right whether the balance or balances due or to become due to such party from the other are on account of premiums or on account of losses or otherwise and regardless of the capacity, whether as assuming insurer or as ceding insurer, in which each party acted under the agreement or, if more than one, the different agreement involved. However, a notice and accounting will be sent to the other party 10 (ten) days prior to any offset.

ARTICLE XVI
GOVERNING LAW

This Agreement shall be deemed to have been entered into in the State of South Carolina and shall be construed and governed in all respects as a contract made, executed, to be performed and enforced entirely within the State of South Carolina and without regard to South Carolina conflicts of law principles.

ARTICLE XVII
SEVERABILITY

If any provision of this Agreement or the application thereof is unenforceable, such shall not affect any other provision or application of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are declared severable.

ARTICLE XVIII
INTERMEDIARY

The intermediary set forth in Schedule E, if any, is recognized as the intermediary negotiating this Agreement through whom all correspondence, accounts and settlements shall be passed. Payments by Great American to the intermediary shall constitute payment to SCSBIT and payments by SCSBIT to the intermediary shall constitute payment to Great American. Great American, however, reserves the right at its discretion to make payments of claims or receive payments or premiums hereunder directly to or from SCSBIT or the authorized TPA, as the case may be. SCSBIT acknowledges that Great American will pay commission to the intermediary listed in Schedule E, if any, in connection with its role as intermediary under this Agreement, the precise amount of which will vary based on various factors. Great American will share commission information or a description of the commission plan applicable to the intermediary listed in Schedule E, if any, in connection with this Agreement upon SCSBIT's written request.

ARTICLE XIX
NOTICES

Any notice required to be sent shall be delivered by hand or mailed, return receipt requested:

1. If to SCSBIT:

See Schedule F

2. If to Great American:

Other than Claims:
Attn: Odette Ovies
Public Sector Division
Great American Insurance Company
4510 Cox Road
Suite 301
Glen Allen VA 23060

804 823 8425

Claims:

Carole Lofness
Vice President, Public Sector Division
Great American Insurance Company
304 East 4th Street
Cincinnati, OH 45202-4201
513-763-8656
Email: PublicSectorClaims@gaig.com

3. If to Intermediary:

See Schedule E

ARTICLE XX
REPRESENTATIONS OF REINSURED

SCSBIT hereby represents, warrants, covenants and agrees that it is a duly formed validly existing public entity pool with full power and authority to issue property and casualty coverage to its members, to enter into this Agreement and has received and will maintain throughout the "Term of this Agreement" all licenses, approvals and other evidences of authority from any government authority having jurisdiction and has complied and will comply with all applicable laws, including, without limitation all required reporting to governmental agencies. SCSBIT shall not be entitled to assert as a defense to enforceability of this Agreement, SCSBIT's lack of authority to enter into this Agreement or non-compliance with any applicable law, or any member's lack of authority or non-compliance with applicable law. SCSBIT acknowledges and agrees that Great American is relying on these representations, warranties, covenants and agreements in connection with the issuance of this Agreement and in connection with Great American's review of regulatory requirements and taxes applicable to this Agreement. SCSBIT agrees to execute and deliver promptly such additional agreements, instruments and documents and to do such further acts and things as may be reasonably necessary or proper to carry out the intent of this Agreement as an assumed reinsurance agreement and if Great American determines it necessary because of regulatory requirements to recast this Agreement as an excess insurance agreement, SCSBIT agrees to co-operate with Great American in the recasting of this Agreement, meeting with authorities having regulatory jurisdiction and to execute and deliver promptly such revised agreements, instruments and documents and to do such further acts and things as may be reasonably necessary or proper to carry out the intent of this Agreement in conformity with regulatory requirements.

SCSBIT hereby represents, warrants, covenants and agrees to Great American that all policy coverage forms including, without limitation, endorsements and exclusions submitted for review at the inception of this Agreement will not be amended, deleted or superseded without Great American's approval.

ARTICLE XXI
DEFINITIONS

A. The term "**Abuse & Molestation**" means 1) the actual or threatened abuse or molestation (whether sexual or otherwise including but not limited to rape) by anyone of any person while in the care, custody or control of any insured under any Policy or; 2) the negligent employment, investigation, supervision, reporting to the proper authorities (or failure to so report) or retention of a person for whom any insured under any Policy is or ever was legally responsible for and whose conduct would be excluded by section 1) of this definition above.

- B. The term "**Act of Terrorism**" means and shall have the same definition as those terms have in the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Program Reauthorization Act of 2007.
- C. The term "**Allocated Loss Adjustment Expense**" means all costs and expenses allocable to a specific claim that are incurred by SCSBIT in the investigation, appraisal, adjustment, settlement, litigation, defense or appeal of a specific claim, including court costs and costs of supersedes and appeal bonds, and including;
1. Pre-judgment interest, unless included as part of the award or judgment;
 2. Post-judgment interest; and
 3. Legal expenses and costs incurred in connection with coverage questions and legal action connected thereto.

"Allocated Loss Adjustment Expense" shall not include any SCSBIT employee salaries or SCSBIT overhead such as office expenses or amounts paid to SCSBIT's TPA.

- D. The term "**Claims Made**" means all claims under Policies classified by SCSBIT as such and for which all claims are required to be submitted by the original insured within the period of time prescribed by SCSBIT in the Policy.
- E. The term "**Declaratory Judgment Expense**" means all court costs, attorney's fees, and expenses incurred by SCSBIT in contesting coverage on the business SCSBIT hereunder.
- F. The term "**Extra Contractual Obligations**" means all liabilities or obligations of SCSBIT, other than those arising under the express terms of and within the express limits of the Policies, whether to an insured, governmental entities or any other person, which liabilities and obligations shall include, without limitation, any liability for punitive, exemplary, special or any other form of extra-contractual damages relating to the Policies which arises from any act, error or omission, whether or not intentional, in bad faith or otherwise, including, without limitation, any act, error or omission relating to (i) the marketing, underwriting, production, issuance, cancellation or administration of the Policies, (ii) the investigation, defense, trial, settlement or handling of claims, benefits, or payments arising out of or relating to the Policies, or (iii) the failure to pay or the delay in payment of benefits, claims or any other amounts due or alleged to be due under or in connection with the Policies.
- G. The term "**Losses In Excess Of Policy Limits**" means losses in excess of the applicable limits of the Policies, but otherwise within the terms and conditions of the Policies and resulting from an action against SCSBIT or a TPA alleging negligence or bad faith in rejecting a settlement within the limits of the Policies or in discharging its duty to defend an insured under the Policies including prosecuting any appeals; plus all Allocated Loss Adjustment Expense attributable to such losses.
- H. The term "**Occurrence**" shall mean an accident, event, disaster, occurrence, loss or casualty, or series of accidents, events, disasters, occurrences, losses or casualties, or any other circumstances which is traceable to the same single act, omission, cause, mistake or error or series of acts, omissions, causes, mistakes or errors.

As respects "Claims Made" Policies, the date of the "Occurrence" and the date of loss for claims otherwise subject to coverage under the Policy shall be the date the claim is first reported to SCSBIT. Furthermore, as respects any extended reporting or discovery period provisions under a "Claims Made" Policy in effect during the "Term of this Agreement", claims otherwise subject to coverage under the Policy and first reported to SCSBIT during the extended reporting or discovery period shall be deemed to have occurred and have a date of loss on the last day of the applicable

Policy period. However, as respects extended reporting or discovery period provisions in force on the effective date of this Agreement under claims made Policies which expired or were terminated or cancelled prior to the Effective Date of this Agreement, claims made against or reported to SCSBIT during the extended reporting or discovery period under such Policies shall be deemed to have occurred and have a date of loss on the last day of the applicable Policy period.

- I. The term "**Per Occurrence Retained Amount**" means the sum total of losses paid by SCSBIT under "Policies" arising from any one "Occurrence" plus paid "Allocated Loss Adjustment Expense" applicable to the paid losses on the one "Occurrence" less recoveries, salvages and claims upon all reinsurance or insurance of SCSBIT benefiting Great American up to the amount set forth as such in Schedule A.
- J. The term "**Policies**" means policies of insurance and binders of insurance that were in force at the inception of, and those policies of insurance and binders of insurance attaching with new or renewal policy periods during the Term of this Agreement that were issued to SCSBIT's participating member public school boards of education covering General Liability, Automobile Liability, School Board Legal Liability or "Abuse & Molestation" Liability issued by SCSBIT, and that were underwritten in all material respects in accordance with SCSBIT's underwriting guidelines and that were issued on forms, which guidelines and forms were submitted to Great American for underwriting acceptability and development of Great American's premium in connection with Great American's underwriting of this Agreement.
- K. The term "**Pollutants**" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkali, chemicals and "Waste;" "Waste" includes materials to be recycled, reconditioned or reclaimed.
- L. The term "**Serious Injury**" means claims or suits involving the following:
 - 1. spinal Cord injury, paraplegia or quadriplegia;
 - 2. amputations;
 - 3. brain damage;
 - 4. vision Impairment;
 - 5. hearing impairment;
 - 6. burns--involving over 10% of body with third degree or 30% of body with second degree;
 - 7. multiple fractures--involving more than one member or nonunion;
 - 8. fracture of both heel bones (fractured bilateral oscalcis);
 - 9. nerve damage causing paralysis and loss of sensation in arm and hand (brachial plexus nerve damage);
 - 10. massive internal injuries affecting body organs;
 - 11. injury to nerves at base of spinal canal (Cauda Equina) or any other back injury;
 - 12. injury resulting in incontinence of bowel and/or bladder;
 - 13. fatalities;

14. "Abuse & Molestation;"
15. the naming of SCSBIT, the TPA, Great American, an agent of Great American or the reinsurance intermediary;
16. punitive damages, bad faith or extra contractual liabilities against: SCSBIT, the TPA or Great American;
17. coverage questions including those arising from tenders of defense and indemnity from parties claiming additional insured rights under a Policy;
18. pollution exposure;
19. class action;
20. uninsured motorists and underinsured motorist claims;
21. allegations of continuous exposure causing bodily injury or property damage;
22. harassment (whether sexual or otherwise actionable);
23. employment practices liability;
24. asbestos;
25. silica;
26. welding rods;
27. toxic waste;
28. reflex Sympathetic Dystrophy;
29. any other type of claim or set of circumstances that Great American shall direct.

M. The term "**Ultimate Net Loss**" means the sum total arising from an "Occurrence" that is covered by the Policies *equal to*: (1) SCSBIT's contractual indemnity loss arising from an "Occurrence" with respect to General Liability losses, Automobile Liability losses, School Board Legal Liability losses, or "Abuse & Molestation" Liability losses (2) *less* recoveries, salvages and claims upon all other reinsurance or insurance of SCSBIT benefiting Great American; (3) *plus* "Allocated Loss Adjustment Expense."

[INTENTIONALLY LEFT BLANK; THE SIGNATURE PAGE IS NEXT]

IN WITNESS WHEREOF the parties, intending to be legally bound, have caused this Agreement to be executed by duly authorized personnel as of the Effective Date.


Signed in duplicate, in Columbia, South Carolina
this 12th day of November, 2018

SOUTH CAROLINA SCHOOL BOARDS INSURANCE TRUST

BY: 

Signed in Glen Allen, Virginia
this 27th day of November, 2018

GREAT AMERICAN INSURANCE COMPANY

BY: 
Andrew Kay, Senior Vice President, Public Sector Division

4. The amount of Excess Loss Fund payment(s) made by Great American's to SCSBIT:
 - (a) Shall not be for more than the applicable "Per Occurrence Retained Amounts"; and
 - (b) Shall not be greater than the \$2,000,000 Excess Loss Fund Protection Annual Aggregate Limit.
5. Each Excess Loss Fund payment made reduces Great American's Excess Loss Fund Protection Annual Aggregate Limit by the amount of such payment.
6. Great American's liability under this Schedule A Part II Excess Loss Fund Protection ends when the Excess Loss Fund Protection Annual Aggregate Limit has been exhausted by payments to SCSBIT.
7. Upon exhaustion of the Excess Loss Fund Protection Annual Aggregate Limit, the SCSBIT is once again responsible for the applicable "Per Occurrence Retained Amounts".

SCHEDULE B
2018 – 19
Individual Member Deductibles

| <u>Member</u> | <u>General Liability</u> | <u>Auto Liability</u> |
|------------------------|--------------------------|-----------------------|
| Beaufort | \$25,000 | \$25,000 |
| Charleston | \$75,000 | \$75,000 |
| Dillon Four | \$2,500 | \$0 |
| Dorchester Two | \$25,000 | \$0 |
| Lexington Two | \$10,000 | \$0 |
| Lexington Four | \$2,500 | \$0 |
| Richland One | \$25,000 | \$0 |
| Spartanburg One | \$2,500 | \$0 |
| Sumter School District | \$2,500 | \$0 |
| York Three (Rock Hill) | \$2,500 | \$0 |
| York Four (Fort Mill) | \$2,500 | \$0 |
| Georgetown | \$0 | \$0 |

SCHEDULE C
APPROVED THIRD PARTY ADMINISTRATOR

South Carolina School Boards Association
111 Research Drive
Columbia, SC 29203
Attn: Kim Anderson

**SCHEDULE D
PREMIUM & EXCESS RATES**

The annual deposit premium due Great American at Agreement inception is \$1,311,731

Great American Package Excess Rates:

| | |
|------------------------------|-----------------------|
| General Liability | 1.934796 per ADA |
| School Board Legal Liability | 0.712836 per ADA |
| Auto Liability | 52.591643 per vehicle |

Premium under this Agreement shall be paid in full by the 45th day following the Effective Date and each subsequent "Agreement Year".

The minimum premium payable to Great American for this reinsurance is 80%.

SCHEDULE E
NAME AND ADDRESS OF RECOGNIZED INTERMEDIARY, IF ANY

CRC Swett / CRC Group
One North Franklin
Suite 3500
Chicago, IL 60606

Attn: Ben Merris

Phone: 312-442-4108
Cell: 312-806-3511
E-mail: bmerris@crcswett.com

**SCHEDULE F
NOTICE INFORMATION FOR THE SCSBIT**

Contact Name:

South Carolina School Boards Association
111 Research Drive
Columbia, SC 29203

Attn: Kim Anderson

Contact Phone: (803) 799-6607

Contact E-mail: kanderson@scsba.org

APPENDIX A

REINSURANCE REFERRAL GUIDELINES

Accounts with any of the following exposures must be referred to Great American Self Insured Groups for approval prior to binding.

1. Accounts with properties located within 5 miles of the ocean or bay.
2. Any account with total losses greater than \$50,000 for any of the past 5 years.
3. Any account with total student enrollment greater than 10,000.
4. Members or prospective members requesting limits above \$750,000 in excess of \$250,000 retained amount.
5. Vacant or unoccupied buildings. This does not include buildings with seasonal occupancy.
6. Any account with exposures equal to 5% of the total REINSURED exposures for any reinsured line of business.
7. Any account with high-hazard or unusual liability exposures such as instruction in cosmetology, nursing, aviation, etc.

APPENDIX B
South Carolina School Boards Insurance Trust

Exposure PAGE 2018 – 19

| | Exposure Base | Estimated Exposure |
|-------------|--------------------------|---------------------------|
| GL | Average Daily Attendance | 439,400 |
| SBLL | Average Daily Attendance | 439,400 |
| AL | Vehicles | 2,821 |

Rates for "Aggregate Stop-Loss"

| | Exposure Base | Estimated Exposure | Rate |
|-------------|--------------------------|---------------------------|-------------|
| GL | Average Daily Attendance | 439,400 | \$17.59 |
| SBLL | Average Daily Attendance | 439,400 | \$7.12 |
| AL | Vehicles | 2,821 | \$178.97 |