441 Page Street • P.O. Box 427
Troy, North Carolina 27371-0427
PHONE: (910) 576-6511 • FAX: (910) 576-2044

To: Board of Education

From: Mitch Taylor

Date: May 20, 2015

Subject: Renewal of Errors and Omissions/General Liability Insurance Coverage

Attached you will find the North Carolina School Boards Trust Errors and Omissions/General Liability Fund Contribution Renewal Invoice and the Agreement to Participate in the North Carolina School Boards Trust Errors and Omissions/General Liability Fund for the 2015 – 2016 fund year. The cost, $6557, is an increase of $175 from last year. The Participation Agreement is to be signed by Dr. Ellis and Mr. Deberry.

NORTH CAROLINA SCHOOL BOARDS TRUST

ERRORS & OMISSIONS/GENERAL LIABILITY

July 1, 2015 - June 30, 2016
Renewal Invoice

Member:
Montgomery County Schools
P.O. Box 427
Troy, NC 27371-0427

ERRORS & OMISSIONS/GENERAL LIABILITY FUND CONTRIBUTION
FOR THE FISCAL YEAR JULY 1, 2015 - JUNE 30, 2016

2015-2016 Fund Contribution $ 6,557.00

Payment Due Upon Receipt
Please do not combine this payment with any other payment due NCSBA or NCSBT

Please remit to:

North Carolina School Boards Trust
PO Box 97877
Raleigh, NC 27624-7877

AGREEMENT TO PARTICIPATE IN THE
NORTH CAROLINA SCHOOL BOARDS TRUST
ERRORS & OMISSIONS/GENERAL LIABILITY FUND

The North Carolina School Boards Trust (hereinafter the "Trust" or "NCSBT") provides local boards of education the opportunity to budget funds for the purpose of paying all or part of a covered claim made or civil judgment entered against the board, its members, or employees, or its former members or employees, when such claim is made or such judgment is rendered as damages on account of an act done or omission made, or an act allegedly done or omission allegedly made, in the scope of their duties as members of the local board of education or as employees pursuant to the terms, conditions, and limits of the NCSBT Errors & Omissions/General Liability Trust Fund Coverage Agreement (hereinafter the "Coverage Agreement"). The Trust does not provide any coverage for any claim which could not be paid by a local board of education pursuant to N.C.G.S. §115C-43(b) or successor statute. The Coverage Agreement is not a contract of insurance by a company or corporation duly licensed and authorized to execute insurance contracts in this State or by a qualified insurer as determined by the Department of Insurance. Therefore, the Coverage Agreement expressly is not considered a waiver of governmental immunity as provided in N.C.G.S. §115C-42. No coverage provided in the Coverage Agreement duplicates state-funded liability insurance for public school employees.

This Participation Agreement (hereinafter the "Agreement"), in accordance with the provisions of N.C.G.S. §160A-460 through -464, is entered into by and between the Trust and the undersigned board of education or other educational entity (hereinafter the "Member"), which is a member of the North Carolina School Boards Association, for the purpose of the North Carolina School Boards Trust Errors & Omissions/General Liability Fund (hereinafter the "Fund") providing to the Member liability coverages and no-fault coverage for medical expenses arising out of accidental injury, such coverages to be provided in accordance with the terms, conditions, and limits set forth in the Coverage Agreement and the No-Fault Coverage for Medical Expenses Arising Out of Accidental Injury Endorsement (hereinafter the "Med Pay Endorsement").

The duration of this Agreement shall be for a term commencing at 12:01 a.m. on the date indicated elsewhere in this Agreement and continuing for the remainder of the fund year thereafter.

The Trust and the Member are desirous of setting forth the obligations and responsibilities of each party.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained herein, the parties, intending to be legally bound hereby, agree as follows:

I. THE TRUST AGREES THAT SO LONG AS THE MEMBER IS PARTICIPATING HEREUNDER, IT WILL:

A. Make liability coverage available to the Member in accordance with the terms, conditions, and limits set forth in this Agreement, the Coverage Agreement, and the excess insurance coverage purchased by the Trust. Coverage provided by the Fund shall be excess over any insurance or other coverage covering the Member board or its employees, except that no coverage provided by the Fund duplicates state-funded liability insurance covering the Member's employees, whether such insurance is primary, excess, contingent, or otherwise.

B. Make no-fault coverage for medical expenses available to the Member in accordance with the terms, conditions, and limits set forth in the Med Pay Endorsement. No-fault coverage for medical expenses provided by the Fund shall be excess over any insurance or other coverage available to any injured person.

C. Establish within the Trust separate cash reserve funds from the contributions of all Members, which funds shall be invested and shall not be intermingled with any other funds of the Trust and which funds shall be used by the Trust or its designee to:

1. Pay all operational and administrative costs incurred by the Trust attributable to the Fund.

2. Defend and/or pay covered liability claims made against the Member or other covered persons and reported to the Trust during the term of this Agreement,

subject to a **$5,000 deductible per claim**, and subject to the terms, conditions, and limits of the Coverage Agreement, the excess insurance purchased by the Trust, the Trust's Claim Settlement Practices, and the Trust's Litigation and Billing Procedures. If a Member elects to discontinue participation in the Fund, the Trust will continue to handle all claims made and timely reported to the Trust during the term of this Agreement, until such claims are resolved or closed. The Trust does not provide coverage for the payment of claims which could not be paid by a local board of education pursuant to N.C.G.S. §115C-43(b).

3. Pay claims for medical expenses arising out of accidental injury, subject to all terms, conditions, and limits set forth in the Med Pay Endorsement.

4. Purchase excess insurance for the benefit of the Member.

D. Collect from each Member contributions based upon the loss experience of the Member and the loss experience of the Fund, operating expenses, excess insurance costs, and exposure of each Member. Such contributions shall be kept in designated reserve funds, and from such funds all administrative, excess insurance, and claims costs shall be paid.

E. Reserve the right to require an additional or supplemental fund contribution from each Member for any fund year in which the initial contribution rate and unallocated Fund reserves, if any, are inadequate to pay operating expenses and claim costs.

F. Provide an annual audit report to the Member concerning the financial operations and conditions of the Fund upon request of the Member.

G. Furnish appropriate claims reporting procedures to Members.

H. Make available for inspection, upon request by the Member, the books and records of the Fund.

II. THE MEMBER AGREES THAT IT WILL:

A. Be responsible, along with its prior insurers, if any, for all liability claims that (i) arise from incidents which occurred prior to the retroactive date of the Coverage Agreement, or (ii) are first made within the meaning of the Coverage Agreement prior to the date of this Agreement, thereby holding the Trust financially harmless therefrom.

B. Enroll in the Fund for a twelve-month fund year or remaining portion thereof and obligate itself to pay all required fund contributions as prescribed by the Trustees of the Trust.

C. Implement procedures recommended by the Trust or its designee for the purpose of reducing liability exposures.

D. Execute and submit to the Trust or its designee any and all forms required by the Trust.

E. Designate a risk management coordinator to act as a liaison between the Member and the Trust or its designee.

F. Attend any training programs and sessions deemed necessary by the Trust.

G. By signing this Agreement, grant to the Trust the full power of attorney to:

1. Present all forms and related information to any administrative body, board, agency, or any court of law, as may be necessary, to defend liability claims covered by the Fund.

2. Obtain and retain any information or data that may affect the Member's liability claims that are covered by the Fund.

3. Do any and all acts without qualification that are necessary or convenient to effectuate the implementation and performance of the Fund.

H. Promptly notify the Trust of any claims made against the Member, as defined in the Coverage Agreement; ensure that all persons covered under the Coverage Agreement are aware of and understand the "Defense of Claims" and "Notice of Claim" provisions of the Coverage Agreement and their responsibilities thereunder; and otherwise cooperate with the Trust in the investigation and defense of claims handled under the Coverage Agreement.

I. Cooperate with the Trust in the investigation of claims for medical expenses and otherwise comply with all obligations set forth in the Coverage Agreement and Med Pay Endorsement. The Member further agrees that the no-fault coverage for medical expenses only applies to accidental injuries occurring during the fund year, and is subject to all terms, conditions, and limits set forth in the Med Pay Endorsement.

III. This Agreement, as approved by the Member, shall be forwarded to the Trust or its designee.

IV. The Trust shall acknowledge acceptance of this Agreement by noting hereon in the space provided the effective date of its acceptance and shall return a fully executed copy thereof to the Member.

V. The effective date initiating the obligations and rights of the parties to this Agreement shall commence upon the date stated herein and upon receipt by the Trust of the Member's fund contributions payable in advance. Failure by any Member to pay contributions as required by the Trust shall terminate this Agreement and void the Member's rights in the Fund upon fifteen days' written notice to the Member, except that the Fund will continue to be liable for all claims that would otherwise be covered by the Fund, which were made against the Member and timely reported by the Member to the Trust while the Member was in full compliance with this Agreement.

VI. In the event of default by a Member as specified in Section V. hereof, or in the event of discontinuance of participation by a Member, all fund contributions made by the Member shall remain the sole property of the Trust, and said Member shall have no rights therein.

NORTH CAROLINA SCHOOL BOARDS TRUST
ERRORS & OMISSIONS/GENERAL LIABILITY FUND

By: _____
Authorized Representative

_____
Date Signed

_____
Effective Date of Coverage

_____
Participation Agreement Number

NAME OF SCHOOL BOARD MEMBER

_____
School Board

By: ✓ _____
Superintendent

By: ✓ _____
Board Chair

_____
Date Signed

✓ _____
Risk Management Coordinator

_____
Telephone Number

