

POLICY NUMBER AIC - 01

Applications for Insurance Coverages

Effective January 18, 1996

THE FOLLOWING GUIDELINE OF RISK MANAGEMENT PRACTICES HAS BEEN DEVELOPED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE ORGANIZATION OF SELF-INSURED SCHOOLS ("OSS") AND IS EFFECTIVE AS OF THE DATE INDICATED ABOVE PURSUANT TO ARTICLE VIII OF THE BYLAWS OF OSS. EACH MEMBER DISTRICT HAS AGREED TO THE IMPLEMENTATION OF GUIDELINES OF RISK MANAGEMENT PRACTICES DEVELOPED BY THE BOARD OF DIRECTORS. THE FOLLOWING POLICY SHALL BE REFERRED TO FOR ALL PURPOSES AS POLICY NO. AIC - 01 .

I. GENERAL PURPOSE

1. The Board of Directors of OSS recognizes that it is imperative for the insurance agent/broker of each Member District to timely submit to the servicing broker of OSS a completed questionnaire/application so as to enable the servicing broker and OSS to obtain quotes for insurance coverages (including reinsurance policies), assign premiums to each Member District, and, if necessary, to make coverage decisions or adjustments prior to the renewal date of the applicable insurance policies. In order to deter the late submission of the application/questionnaire to the servicing broker from the agent/broker of a Member District, the Board of Directors of OSS hereby adopts the following procedure, which shall apply to every insurance agent/broker of a Member District.

II. PROCEDURE

2.1. The insurance agent/broker of each Member District shall submit a fully completed application/questionnaire for his or her respective Member District to the servicing broker of OSS by no later than sixty (60) days from the date of receipt of the application/questionnaire from the servicing broker.

2.2. An insurance agent/broker who submits the application/ questionnaire in an incomplete manner or after the expiration of the sixty (60) day period shall be given a written warning for violating the policy and procedure heretofore mentioned.

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2.3. An insurance agent/broker who submits an incomplete application/questionnaire or submits the same after the expiration of the sixty (60) day period after having been given a written warning of such violation shall have twenty percent (20%) of his or her service fee deducted as a penalty for a second violation of the policies and procedures heretofore mentioned.

2.4. An insurance agent/broker who commits any of the above-mentioned violations for a third time (after having been given a written warning and a twenty percent (20%) monetary penalty) shall have forty percent (40%) of his or her service fee deducted as a penalty for having violated the policies and procedures heretofore mentioned.

2.5. An insurance agent/broker who commits any of the above for a fourth time (after having been given a written warning and having twenty (20%) and forty (40%) of his or her service fees deducted as penalties) shall be removed as the designated agent/ broker of his or her respective Member District. All determinations concerning violations of the foregoing policy and procedure shall be made by the Board of Directors of OSS and shall be considered final and binding with no further rights of appeal.