

ADMINISTRATION AGREEMENT

This Agreement is made and executed by and between the Ohio School Plan (the "Plan") and Hylant Administrative Services, Inc., an Ohio corporation ("HAS"), this 31st day of JANUARY, 2002.

WHEREAS, Section 2744.081 of the Ohio Revised Code authorizes political subdivisions to join with other political subdivisions in establishing and maintaining a joint self-insurance pool to provide for the payment of judgments, settlement of claims, expense, loss, and damage that arises, or is claimed to have arisen, from an act or omission of the political subdivision or any of its employees in connection with a governmental or proprietary function; and

WHEREAS, the Plan has been created and organized pursuant to Section 2744.081 of the Ohio Revised Code; and

WHEREAS, the Plan, as created, is an association of its members and an instrumentality for each member enabling members to provide for a formalized, jointly administered self-insurance program to maintain adequate self-insurance protection, risk management programs and other administrative services; and

WHEREAS, Section 2744.081(A)(2) of the Ohio Revised Code permits contracts to be awarded by the Plan for the purposes of administration of the insurance program, and requires certain disclosures to be made prior to the awarding of such a contract; and

WHEREAS, HAS is an experienced administrative services and risk management company which can provide day-to-day management of the Plan and coordinate activities through its established administrative structure; and

WHEREAS, members of the Plan believe, and HAS has represented, that financial savings may be realized and losses may be reduced through participation in the Plan;

NOW, THEREFORE, in consideration of the recitals, mutual terms, covenants and conditions herein contained, the parties do hereby agree as follows:

1. The Plan hereby appoints HAS as its administrator. HAS shall perform the administrative and risk management services and be entitled to the compensation as set forth herein. The appointment of HAS as administrator shall be effective upon each member of the Plan provided, however, the effective date of such appointment shall be seven (7) days after a full disclosure of this Agreement is provided at a meeting held by such member.

2. HAS shall have the following duties and powers:

- A. Generation and preparation of the appropriate risk coverage policies and documents for Plan members, establishing loss control, managing all the Plan's underwriting, accounting, claims, negotiation and placement of all reinsurance, assisting in the Plan's marketing, and any and all functions and duties necessary for the prudent and efficient operation of the Plan.
- B. Examine each proposed member's prior loss experience. Review and evaluate all exposures and, if appropriate, arrange for certain exposures to be insured outside the confines of the Plan if that proposed member is ultimately accepted for membership.
- C. Insure that proposed Plan Members agree to support and implement appropriate loss reduction and control measures as may be required by the Plan.
- D. Terminate the membership of any member that fails to comply with the reasonable requirements of the Plan concerning contractual obligations, installation of safety requirements and cooperation with attorneys and agents or for any other action that may be detrimental to the fiscal soundness or efficiency of the Plan.
- E. Approval of new members to the Plan based upon sound underwriting criteria. Proposed new members shall be limited to political subdivisions as defined in Section 2744.01(F) of the Ohio Revised Code, including those which, by statute, ruling or law are deemed eligible therein.

- F. Prepare and coordinate all required meetings of all members of the Plan.
- G. Participate in and report at all Board of Directors' meetings and Board committee meetings.
- H. Prepare all reports and maintain all records required by R.C. § 2744.081.
- I. Such additional duties as are set forth in the Management Agreement between HAS and the Plan executed of even date herewith.


3. This Agreement shall continue until December 31, 2006 (the "Initial Contract Period"), and, unless either party provides notice of termination received by the other party on or before June 30, 2006, shall automatically renew for an additional five year period and subsequently renew each five years thereafter (the "Renewal Periods"), unless notice of termination is received by the other party by June 30th of the fifth year of any renewal period. The Agreement may otherwise be terminated only upon the insolvency, bankruptcy or assignment by either party for the benefit of creditors, or upon the appointment of a receiver for all or a substantial part of either party's business or property, or upon thirty (30) days written notice of termination for cause, which shall be defined as a willful misconduct or fraud conducted by either party.

4. As consideration for the services rendered to the Plan by HAS, HAS shall be entitled to receive an agreed upon fee from those sums paid by reinsurers for placing the insurance treaties with the Plan's reinsurers. It is expressly acknowledged that HAS may receive such compensation directly from the Plan's reinsurers.

5. This Agreement shall be binding upon and inure to the benefit of HAS or any successor in interest by merger, reorganization or assignment, which successor in interest shall have all rights and duties under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement the 31ST
day of JANUARY, 2002.

OHIO SCHOOL PLAN

By: 

HYLANT ADMINISTRATIVE SERVICES, INC.

By: 