AGREEMENT BETWEEN
THE TRUSTEES OF THE S. S. HUEBNER FOUNDATION FOR INSURANCE EDUCATION
AND
THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA

Section I.
Purpose of the Agreement

The purpose of this agreement is to set forth the conditions under which The S. S. Huebner Foundation for Insurance Education, a Pennsylvania nonprofit corporation, shall operate and administer its affairs at the University of Pennsylvania. This agreement supersedes the arrangement entered into between the Cooperating Committee for the S. S. Huebner Foundation for Insurance Education and the University of Pennsylvania in 1957, referred to as the "Agreement Between the Trustees of the S. S. Huebner Foundation for Insurance Education and the Trustees of the University of Pennsylvania," under which the Foundation has operated since 1957.

Section II
Nature of Projects to be Undertaken

The general objective of the Foundation shall be the strengthening and encouragement of insurance education at the collegiate level in the United States and Canada. The Foundation shall be authorized to undertake any projects or to engage in any activities that are designed to further this broad objective. Its functions shall include but not be limited to the following:

1. Financial Grants for Graduate Study

The principal function of the Foundation shall be to provide financial assistance to qualified graduates of accredited colleges and universities.
of the United States and Canada who wish to prepare for a teaching career in risk and insurance at the college level.

e. Types of Grants. Grants for the purpose of graduate study shall be provided in the following forms:

(1) Fellowships. - These grants shall be in such an amount as to cover tuition and other fees of the University of Pennsylvania and to provide a cash expense subsidy, payable in monthly installments during the academic year, adequate to attract graduate students of the highest intellectual capacity. The Administrative Board (see Section III. 1) shall have the authority to determine the amount of the cash expense subsidy from year to year, but in exercising this power shall give due consideration to the cost of living and to the size of grants under other similar programs.

(2) Supplementary Grants. - These grants shall cover tuition and other fees of the University of Pennsylvania and provide a cash expense subsidy for any month or months during which an approved applicant is pursuing a prescribed program of study of research but for which no Foundation fellowship is otherwise applicable. Such grants are designed primarily for study and research during the summer term at the University of Pennsylvania or between academic years. The amount of the monthly cash expense subsidy normally shall be the same as that payable under regular fellowship grants during the academic year immediately preceding.

(3) Grants-In-Aid. - These grants shall be for the purpose of reimbursing holders of fellowships for travel and other unusual expenses incurred in connection with research for dissertations.

(4) Post-Doctoral Fellowships. - These grants shall be made available to qualified persons holding a Ph.D. or other terminal degree.
who wish to pursue an academic course of study to prepare themselves to teach risk and insurance at the college or university level. Such grants may be made to college or university teachers of insurance desirous of broadening their academic training or to persons teaching or engaged in research in other related areas. The grants, which shall be awarded for one academic year only, shall cover tuition and other fees and provide a cash expense subsidy, payable in monthly installments, of such amount as the Administrative Board shall deem appropriate, due consideration being given to the applicant's education, experience, potential, and financial responsibilities.

At the discretion of the Administrative Board, grants may be made for the purpose of financing post-doctoral research that promises to make a significant contribution to insurance knowledge or to insurance teaching materials.

b. Qualifications: A recipient of a grant shall, at the time of the award, be a citizen of the United States or Canada, be under thirty-five years of age, and have at least completed the work for a baccalaureate degree in an accredited college or university. He or she must show promise of high intellectual achievement, as evidenced by course grades, performance on national standardized examinations, and other measures of accomplishment. He or she also must have a commitment to teaching at the college or university level and be especially interested in risk and insurance. The Administrative Board may waive the age restrictions if the applicant would qualify in all other respects.

c. Selection Procedure. - Candidates for Foundation grants shall be required to file an application on a special form approved by the Administrative Board; to furnish personal references; to have a personal inter-
view with a member of the Administrative Board or with such representative as might be designated by the Administrative Board; to fulfill the admission requirements of the University of Pennsylvania; and to take such standardized examinations as the Graduate Record Examination or the Admission Test for Graduate Study in Business as the Administrative Board may deem necessary for effective selection.

A candidate shall be required, in addition to supplying the usual information requested by the University of Pennsylvania for fellowships and scholarships, to certify that (1) it is his or her intention to follow a college or university teaching career in risk and insurance, (2) he or she will major in risk and insurance for a graduate degree, and (3) during the period for which he or she holds a fellowship will not engage in any outside work for pay or profit without the consent of the Administrative Board.

Grants shall be made for a period not longer than one academic year, but they may be renewed upon evidence of satisfactory progress.

d. Academic Program. - Successful applicants, shall enroll in the appropriate school of the University of Pennsylvania and except for recipients of post-doctoral fellowships, pursue a course of study and research leading to the degree of Doctor of Philosophy (Ph.D.), although the foregoing shall not be construed to prohibit any such person from seeking a master's degree such as the M.A. or M.B.A. as an intermediate objective.

2. Research Grants

The Foundation shall be authorized to make research grants to faculty members at other educational institutions. The purpose of the grants shall be to extend the frontiers of knowledge in risk and insurance and closely related areas. The research should be of such high order of excellence
that the resulting papers or studies would be published in relevant scholarly journals or in one of the publication series of the Foundation. Only under exceptional circumstances would a grant of this type be made to a faculty member at the University of Pennsylvania.

3. Publication Program

The Foundation shall engage in a publication program broadly designed to fill gaps in existing literature in risk and insurance and thus to improve instruction in this area in institutions of higher learning. It shall not publish books which are intended to compete with or supplant those of commercial publishers. Like the academic program, the publication program shall be under the exclusive jurisdiction of the Administrative Board, subject to the guiding principles set forth below.

a. Types of Publications. - Notwithstanding anything said in the preceding paragraph, the Foundation shall be authorized to publish any manuscripts developed out of its program. In general, these manuscripts will represent lectures given at the University of Pennsylvania under the auspices of the Foundation, which shall be published under the description of "Huebner Foundation Lectures;" doctoral dissertations of unusual merit and significance prepared by fellowship recipients, which shall be published under the heading of "Huebner Foundation Series;" and the results of Foundation research grants, monographs, and occasional papers where deemed as making significant contributions to insurance literature also may be published by the Foundation. Exceptional manuscripts originating from sources outside the Foundation may be published by the Foundation if they would make a distinct contribution to the fund of knowledge in risk and insurance and would not otherwise be published.
h. Publishing Arrangements. — The Administrative Board shall be authorized to enter into suitable arrangements with a commercial publisher or university press for the manufacture, storage, and distribution of its books and other materials. The terms of any such agreements shall not require the approval of the Board of Trustees of the Foundation, but the Administrative Board shall be under obligation in any such undertakings to secure the most favorable arrangements for the Foundation, giving special consideration to the conservation of the funds of the Foundation. In any such agreement, the Administrative Board shall retain the right to control the complimentary distribution of Foundation books.

c. Complimentary Distribution of Books. — It shall be the policy of the Foundation to provide complimentary copies of its publications to full-time teachers of risk and insurance in accredited colleges and universities in the United States and Canada. One complimentary copy of each publication shall also be provided each insurance company contributing to the support of the Foundation. In its discretion, the Administrative Board may provide for complimentary distributions to other individuals and organizations.

d. Royalties. — The Administrative Board shall be authorized to provide for royalties to authors of manuscripts published by the Foundation on a basis that is fair to both the author and the Foundation. In general, however, no royalties would be paid until the Foundation recovered its publication costs. No royalties, however, shall be paid in connection with lectures delivered under the auspices of the Foundation.

e. Disposition of Proceeds from Sales. — The Foundation’s share of proceeds from the sale of its books shall be credited to the Foundation’s
account with the University of Pennsylvania (See Section IV. 2), and used for the financing of future publications, reprints, and revisions. The Treasurer of the Foundation, however, need not earmark the funds arising out of the publication program. If the proceeds from the sale of books should ever reach such magnitude as clearly to exceed any foreseeable need for publication funds, the Administrative Board may apply such excess amounts to other purposes of the Foundation.

f. Ownership of copyrights, books, plates, dies, and so forth. - The Administrative Board shall cause all books, research studies, monographs, occasional papers, and other material published by the Foundation to be copyrighted in the name of the Foundation and the ownership of the copyrights will be vested in the Foundation. Title to all unsold books, plates, dies, and other items of property incidental to the publication program also shall be vested in the Foundation as a corporate entity except as to the rights any publisher for the Foundation may have in the potential revenue from the stock of unsold books.

3. Insurance Research Library

The Foundation shall assemble and maintain a special collection of books, services, periodicals, reports, and other materials for the use of its fellows. Emphasis shall be placed on the acquisition of research materials and other items that would normally not be found in the other libraries of the University of Pennsylvania. Such materials shall be clearly labeled as property of the S. S. Huebner Foundation and shall, in fact, belong to the Foundation. The University of Pennsylvania shall provide suitable quarters for the maintenance of the library and for its use by the fellows of the Foundation.
4. Lecture Series

The Foundation shall from time to time sponsor lectures by outstanding authorities on insurance related topics of current or perennial interest, and the papers shall be published in book form. Not only will such lectures enhance the literature on insurance, but will give the fellows an opportunity to meet and exchange ideas with many of the leading figures in the insurance industry.

5. Other Projects

The Foundation shall from time to time arrange seminars for its fellows at which such educational problems as teaching techniques, construction of insurance curricula, administrative assignments, relationships with business organizations, and membership in professional associations will be considered. It may arrange for visits to insurance companies, trade or professional association meetings, and legislative hearings on insurance matters. If considered possible, arrangements may be made to permit fellows with no previous teaching experience to teach one introductory insurance course or a portion of another course with faculty supervision at the Wharton School before leaving the Foundation to assume active teaching responsibilities. Such teaching shall be considered an integral part of the graduate training of the fellows and will not entitle them to an additional cash expense subsidy.

The Foundation shall, as funds and personnel permit, develop audio-visual aids, teacher's manuals, bibliographies, and other materials that will improve instruction in risk and insurance at the collegiate level.

Finally, the Foundation shall upon request, provide guidance to colleges and universities generally as to such matters as recruitment of faculty,
arrangement of a curriculum in risk and insurance objectives and contents of specific courses, and the selection of textbooks.

Section III
Responsibility for Administration

1. Administrative Board

Responsibility for the day-to-day operations of the Foundation shall be vested in an Administrative Board appointed by and representing the University of Pennsylvania.

a. Composition of the Board. - Such Board shall consist of the senior academic officer of the University of Pennsylvania in charge of graduate instruction, the Dean of the Wharton School of the University of Pennsylvania, the Chairman of the Insurance Department of the Wharton School, and the Executive Director of the Foundation (see below) as ex officio members, and such other persons as the University of Pennsylvania may designate. At least two of the members must represent educational institutions other than the University of Pennsylvania. The Chairman of the Board shall be a faculty member or administrative officer of the University of Pennsylvania. There shall be an Executive Committee which shall be authorized to act for the Administrative Board between annual meetings. This Committee shall be composed of the Chairman, the Executive Director, and any other member or members that the Administrative Board may see fit to appoint.

b. Source of Appointments and Removals. - Appointments to the Administrative Board shall be made by the President of the University of Pennsylvania. The members shall be appointed to three-year terms but shall be subject to removal by the President at any time.
c. Meetings of the Board. - The Administrative Board shall hold a meeting during the spring term of each academic year to pass on applications for fellowships and to transact any other business that may come before it. Other meetings may be held at the call of the Chairman.

d. Authority of the Board. - The Administrative Board shall have the authority to perform all acts and do all things necessary to carry out the objectives set forth in Section II above. By way of illustration but not of limitation, the Board shall have the authority:

1. To stipulate the terms and conditions under which grants will be made for graduate study and research.

2. To select the persons who shall receive Foundation fellowships and other grants, including research grants.

3. To enter into agreements with commercial publishers or university presses for the manufacture, storage, and distribution of books and other materials published by the Foundation;

4. To approve manuscripts for publication and to determine the basis on which royalties will be paid to the authors of such manuscripts;

5. To approve the budget prepared by the Executive Director;

6. To review the expenditures of funds by the Executive Director;

7. To review all acts and decisions of the Executive Director and the Executive Committee;

8. To make nominations to the President of the University for appointments to the Administrative Board and to the Executive Directorship and other administrative posts.

9. To take any other actions in furtherance of the objectives of the Foundation and not in conflict with the functions and powers reserved to the Trustees of the Foundation.
e. Responsibility of the Board. - The Administrative Board shall have full responsibility for the functioning of the Foundation at the University of Pennsylvania. It shall be charged with the following specific responsibilities:

1. To exercise general supervision over the activities of the Executive Director;

2. To insure that the funds of the Foundation are expended in accordance with the expressed purposes and objectives of the Foundation;

3. To recommend to the Trustees of the Foundation the basis on which insurance companies shall be asked to contribute to the support of the Foundation.

f. Compensation of the Board. - The members of the Administrative Board shall not be compensated for service on the Board, except that they shall be reimbursed for reasonable out-of-pocket expenses incurred in connection with attendance at meetings or in the performance of any other function connected with the Foundation.

2. Executive Director

a. Source of Appointment and Removal. - The active management of the Foundation shall be under the direction of an Executive Director, who shall be appointed by the President of the University of Pennsylvania upon nomination by the Administrative Board and shall be an ex officio member of the Administrative Board. His appointment shall be for an indefinite term, and he shall be subject to removal at the pleasure of the President, except that termination of his appointment shall not become effective until the end of the University fiscal year in which notice of termination is given, unless the appointment is terminated earlier through death or unfit-
necessity of the incumbent. The Executive Director shall be a member of the insurance faculty of the Wharton School of the University of Pennsylvania.

b. Responsibilities of the Executive Director. - The Executive Director shall be directly and immediately responsible for the administration of the affairs of the Foundation. His duties shall embrace the following functions:

(1) To prepare and disseminate information on the activities and program of the Foundation;
(2) To solicit nominations for fellowship grants;
(3) To process applications for grants and to interview applicants or to arrange for their interview by other members of the Administrative Board;
(4) To supervise the academic program of successful applicants and to maintain proper academic records;
(5) To review doctoral dissertations and other manuscripts as to suitability for publication by the Foundation and to obtain the views of other qualified persons on such manuscripts;
(6) To supervise the publication of manuscripts accepted by the Foundation, including editorial functions and arrangements with the publisher;
(7) To formulate topics for lectures, arrange for the speakers, act as moderator for lectures, and edit the manuscripts for publication;
(8) To administer and supervise the research grant program of the Foundation;
(9) To manage the publication program, involving the planning of revisions and reprints, the assembling of mailing lists, preparation of promotional material, and other such functions;

Secretary
To initiate and supervise projects designed to improve instruction in risk and insurance at the collegiate level and to ascertain the status of such instruction;

To prepare the Foundation budget for presentation to the Administrative Board;

To insure that funds of the Foundation are expended in conformance with the approved budget;

To prepare an annual report for the Foundation to be sent to the Trustees and contributing insurance companies;

To supervise the staff of the Foundation and to perform those functions associated with an organization of its type;

To represent the Foundation at educational meetings, trade association meetings, and other similar gatherings;

To serve as a liaison between the Administrative Board and the University on the one hand, and the Administrative Board and the Foundation Trustees, on the other hand.

c. Compensation of the Executive Director. - The Executive Director shall be compensated for performing the foregoing functions, either by a specific salary or by an adjustment of his University duties. In event of the former, the Foundation will assume the cost of such compensation, including any related employee benefits. If the compensation takes the form of an adjustment of University duties, the time of the Executive Director shall be apportioned between the University and the Foundation and the Foundation shall bear its pro rata share of the base salary (and employee benefits) of the Executive Director.

d. Appointment of Subordinate Officials. - With the approval of the Administrative Board, the Executive Director may appoint other faculty
members of the University of Pennsylvania with suitable titles, to assist him in the performance of his duties. Compensation may be provided such other persons on the same basis as that applicable to the Executive Director.
e. In the event of the temporary disability or absence of the Executive Director, the Chairman of the Administrative Board shall have the authority to assume the responsibilities of the Executive Director.

3. Trustees of the Foundation

The Trustees of the Foundation shall have the ultimate responsibility for the administration of the Foundation and shall have the right to review the activities of the Foundation carried out under the direction of the Administrative Board and the Executive Director. Subject to the provisions of Section V, it shall have the right to terminate this arrangement with the University of Pennsylvania and to designate some other educational institution to administer the Foundation.

Section IV

Financial Arrangements

1. Solicitation of Funds

Responsibility for securing financial support for the Foundation shall rest solely on the Trustees of the Foundation. Once a year, preferably in January, the Secretary of the Foundation shall send a letter signed by the Chairman of the Board of Trustees to the chief executive of all insurance companies meeting the criteria established by the Trustees asking such companies to contribute to the Foundation in accordance with a formula fixed by the Trustees. The basis of contribution for any particular year will be set by the Board of Trustees at its annual meeting for the preceding
1. Administrative Board

The Administrative Board, on the basis of anticipated needs, shall recommend a rate of contribution to the Board of Trustees, but the latter shall not be bound by the recommendation. The insurance companies shall be instructed to make checks payable to the S. S. Huebner Foundation for Insurance Education and to mail them to the Executive Director at the University of Pennsylvania.

2. Fiscal Agent

The University of Pennsylvania shall act as custodian of funds and disbursing agent for the Foundation. The University is authorized and hereby agrees to accept checks payable to "The S. S. Huebner Foundation for Insurance Education" and to credit them to an appropriately identified fund to be devoted exclusively to the purposes of the Foundation. No monies shall be disbursed from such fund except upon requisition from the Executive Director of the Foundation. The Treasurer or other designated officer of the University shall render a monthly statement to the Executive Director listing by accounting classification the expenditures made from the fund during the month and showing the balance on the last day of the month. The University shall at all times provide adequate insurance protection for the funds of the Foundation against fidelity, burglary, and robbery losses.

No charge shall be levied by the University for performance of the foregoing fiscal functions, except that the Foundation shall bear any special costs involved in providing fidelity insurance protection for its funds. The University shall credit interest on the funds of the Foundation on a basis mutually agreeable to the University Trustees and the Foundation Trustees.

SECRETARY
3. Treasurer of the Foundation

In recognition of the fiscal functions performed by the University of Pennsylvania, the Treasurer of the Foundation shall be a financial officer of the University. In that capacity, such financial officer of the University shall render an annual financial report to the Trustees of the Foundation, showing the receipt and expenditure of funds during the fiscal year of the Foundation and the balance at the end of the fiscal year. The Treasurer of the Foundation shall also include in his financial report the budget for the succeeding fiscal year, but he shall have no responsibility for nor authority over the preparation of the budget.

4. Budget of the Foundation

The budget of the Foundation shall be prepared by the Executive Director and approved by the Administrative Board. It shall not require the approval of the Trustees of the Foundation nor the Treasurer of the Foundation but shall be subject to the normal budgetary procedures of the University of Pennsylvania. Funds of the Foundation shall be disbursed only upon the authorization of the Executive Director, and he shall be responsible for keeping expenditures within the approved budget.

5. Audit of the Foundation

The books of account of the Foundation shall be audited annually by a firm of independent auditors and the Treasurer's Report to the Trustees shall contain the usual and customary certification of the independent auditor. The auditor shall send the report directly to the Chairman of the Board of Trustees of the Foundation with a copy to the Secretary of the Foundation.
Section V
Alteration, Revision and Termination
of This Agreement

1. Procedure for Amendment

This agreement shall be subject to revision at the request of either party. Any change, however, shall require the approval of both the Trustees of the Foundation and the Trustees of the University.

2. Procedure for Termination of Agreement

This agreement shall be subject to termination at the request in writing of either party, except that the termination shall not become effective until the end of the first academic year following the academic year in which notice of termination is given. During the period following notice of termination but prior to the effective date of termination, no new grants for graduate study at the University of Pennsylvania shall be made nor shall new publication agreements be entered into by the incumbent Administrative Board, but an appropriate portion of the funds held by the University on behalf of the Foundation shall be made available for the completion of projects already initiated and for completion of the graduate program of those persons currently enrolled at the University of Pennsylvania under Foundation grants.

Subject to the foregoing paragraph, the assets of the Foundation, including funds held by the University in its custodianship role, shall in event of termination of this agreement be disposed of in accordance with the directions of the Trustees of the Foundation.

April 1975