

Focus on coverage, not price, for insurance tailored to your needs

By David Solomon*

Insurance is one of the budget items that most school districts purchase primarily on price, thinking that all companies that insure schools have the same coverage. But that is far from the truth.

Just as you must be specific when you get quotes on your personal car insurance, you need to apply the same process when shopping for insurance for your district.

You wouldn't ask for an automobile insurance quote with full coverage without specifying the limits of liability or stating if you wanted collision waiver, towing or substitute transportation.

So it goes with buying insurance for your district. Not all policies

contain the same coverage, so it's important to discuss the details with your insurance broker or agent to get a policy tailored to your needs.

Here are a few examples of coverage that are typically either overlooked or not purchased properly:

1 Injuries to students. Most insurance policies for educational institutions exclude injuries to students and injuries to students participating in athletic events. You can purchase a student accident policy to cover all students, but you

should find out whether it protects them only for injuries while in school or whether it covers them in the event there is an accident or death to or from school. Also determine whether there is coverage for field trips, day or overnight, or for travel in another country.

2 Injuries to volunteers. There are an increasing number of volunteers, aides and student interns in schools today. While workers' compensation insurance insures against injuries to employees, most policies generally exclude volunteers, so separate protection is needed for them.

Make certain you understand whether the policy covers the volunteers only if they are injured in school, or whether it also covers injuries that might occur on field trips.

3 Aftermath of fire or water damage. Damage to your buildings can be costly in more ways than one. It disrupts the educational process, and if classes can't be held for an extended period of time you'll lose government aid, since it's typically based on student attendance figures.

Bringing in modular classrooms or finding a temporary location can allow you to continue instruction, but adds additional costs. Find out whether your policy provides funds to defray the costs of the relocation or purchase of modulars.

4 Sexual abuse. Increasingly, districts are faced with lawsuits related to allegations that a student has been sexually abused or molested by a district staff member. Determine whether your umbrella coverage extends to these types of claims.

5 Employment-related claims. Find out how your district is protected against claims from employees that relate to allegations of sexual abuse, improper firing, or failure to hire or promote. Consider whether your policy provides only defense costs or whether it includes indemnity, or lost wages if the school is found to have been negligent.

Key points

- ✓ Not all insurance policies for school districts offer the same types of coverage.
- ✓ Be as specific as possible when getting quotes for insurance coverage.
- ✓ Using price as the determining factor when buying insurance can result in coverage that is not tailored to your school district's needs. ■

6 Property limits. Most policies have a coinsurance provision which states that if the amount of insurance on the building or contents falls below a certain percentage then you will receive only a portion of the claim. It's a good idea to periodically check to make sure that your building and contents meet the coinsurance percentage on your policy.

7 Employee-benefits liability. If your human resources department doesn't process a requested change in benefits and a plan member suffers an uninsured loss, determine if a policy would cover any liability your district could face.

8 Use of personal vehicles for school business. Get clarification on whether your district is protected if an employee using her personal vehicle for school-related business has an accident that causes property damage or injuries to others.

9 Professional liability. Find out whether you have coverage for injuries resulting from inadequate supervision of students or claims that an educational plan is inadequate.

**David Solomon is president of Amity Insurance Agency Inc., a national brokerage firm, based in North Quincy, Mass. For information about the firm, go to www.amityinsurance.com. Contact Solomon at dsolomon@amityinsurance.com. ■*