

School Operations Center Introduction

Introduction

The Indiana Insurance™ School Operations Center includes management, underwriters, associate underwriters, loss prevention, and marketing personnel all focused on and dedicated to one special class of business---Schools. This focused approach allows us to remain *The Company of Choice*™ in terms of coverages, market awareness, and service to our school customers.

Our target market includes public schools, private schools, small colleges, and similar educational institutions. *See the Eligibility Guide for more information.*

Partnership

We view the company – agent – insured relationship as a true partnership. We seek to partner with educational institutions that understand the importance of risk management and safety, and are willing to accept an active role in reducing loss potential.

We also partner with our agents to help us seek, write, and retain desirable educational accounts. The agent's role is to market prospective accounts, obtain required underwriting risk information, present proposals, provide local service, and to serve as a liaison between the company and the insured. We value our agents as the critical front line of underwriting for the company.

Underwriting and Pricing Philosophy

Indiana Insurance is committed to being a long-term viable insurance market for your educational entities. Our goal is to provide broad coverages and value added services to our policyholders at a competitive price.

While schools have similar characteristics, not all schools are the same and some may not meet our underwriting eligibility criteria. Schools must be fully underwritten as any other type risk with consideration to COPE (Construction, Occupancy, Protection, Exposure), prior loss history, driver records for auto insurance, and safety/risk management programs the insured has implemented.

One key underwriting tool we use is prior loss history. Past history provides us an eye to the future in terms of what we might expect from a particular account. A detailed 3 to 5 year loss history is imperative when submitting new accounts for our consideration.

We also pay special attention to the school's policies and procedures. Current, effective policies and procedures demonstrate the school's attitude and commitment to loss prevention and safety.

Coverage, physical characteristics, loss history, and policies and procedures are all considered in pricing a school account.

Understanding School Risk Exposures

Schools are complex risks with many different types of exposures to loss. Some exposures are common to other types of organizations. Some are specific and unique to school organizations. While it would be next to impossible to discuss every real or potential exposure in the average school district, let's review some of the more common school exposures.

Consider an average modern high school. Insuring it may be compared to insuring a number of separate risks all in one account. Compare the high school and a shopping mall. The mall starts with a parking lot with customers arriving by car, same as the high school. The mall has numerous rooms (stores) with people moving from one to another just as students move from class to class. The mall may have a restaurant or a food court. The high school may also have a "restaurant" or food court itself. The mall may have an auto service center. The school may have an auto repair class.

Now let's add to the high school a chemistry lab, a biology lab, an art studio, maybe a photo lab, a computer lab, printing/copying room, supply rooms, perhaps medical facilities, perhaps welding facilities, a woodworking shop, a machine shop, auditoriums, libraries, gymnasiums, weight rooms, swimming pools, locker rooms, outdoor athletic fields, bleachers, HVAC, boilers, and so on and so on.....

Each of the above presents us with numerous property and general liability exposures that must be underwritten by the agent and school underwriter. Schools are exposed to damage from fires, wind, hail, floods, earthquakes, vandalism, theft, breakdown of equipment, and other common property hazards. On the liability side, people can slip and fall on wet floors, uneven sidewalks, or damaged stairs. Students can be injured from chemistry experiments or from physical activities. And we've only scratched the surface.

Now consider that many of the school's students, now or at some point in their lives, have been going to and from school on big yellow buses. While buses are fairly safe and millions of students are transported daily without incident, accidents do happen. Schools also have maintenance vehicles and driver education cars.

The school has several classes of employees—teachers and administrators, custodial and maintenance staff, clerical, food service workers, and bus drivers. Each of these present risks for workers' compensation exposures. Teachers use chairs instead of ladders. Cooks cut their fingers. Custodians slip on wet floors. Coaches suffer injuries demonstrating techniques or by being hit along the sidelines.

By now, you see the complexity of the typical school account. So far we have touched on typical property, general liability, auto, and workers' compensation exposures. Now let's turn to some additional exposures.

School Leaders Errors and Omissions: Also referred to as Educators Legal Liability or School Board Legal Liability, this exposure entails various acts or omissions committed during the course of school business that may result in a lawsuit. Such suits may be brought by district employees, by parents, or by taxpayers seeking money damages against board members, employees, student teachers, and volunteer workers. Examples include: special education disputes, failure to educate claims, and budget disputes.

Other suits may be brought seeking non-monetary relief. These types of claims seek injunctive relief through administrative or court order, but no monetary damages. The injunctive relief may be sought to compel the district to cease some activity or to begin doing something they have not been doing, but implied that they should be doing. An example would be a challenge to the dress code.

In the case of School Leaders Errors and Omissions, defense coverage may be as important as the actual damages sought. Under the Indiana Insurance coverage form, defense costs are payable outside the liability limits. Also, as claims can adversely affect the reputation of the school district, administrators, and board members, the Indiana Insurance coverage form provides for the named insured's consent to any proposed claim settlement.

Employment-Related Practices Liability: As with other employers, schools are subject to claims arising out of employment discrimination, workplace harassment, sexual harassment, wrongful termination, and other specified workplace torts. Examples of workplace torts are libel, slander, invasion of privacy, wrongful arrest, detention or imprisonment, negligent hiring or evaluation, failure to employ or promote, wrongful discipline, and wrongful deprivation of career opportunity. Indiana Insurance provides coverage for these types of claims as an extension of coverage under our School Leaders E & O form.

Sexual Misconduct and Molestation: Unfortunately, the frequency of claims arising from this risk is increasing. We have all seen news stories of teachers or others committing sexual acts against students. Schools can help reduce this risk through aggressive pre-employment screening, training of employees, instituting and enforcing policies, and educating students. Coverage forms are intended to protect the school or district from suits for indirect, vicarious liability from acts of sexual misconduct or molestation against students. Also provides protection for direct liability for negligent acts related to the handling of complaints and the investigation, supervision, training, or retention of or failure to report a person who committed the sexual misconduct or molestation.

It is also true that false claims are sometimes made by disgruntled students seeking revenge against a teacher. By endorsement, Indiana Insurance can also provide coverage for Innocent Party Defense with a special limit of \$100,000 or \$300,000. This provides reimbursement of defense cost expenses when an insured who is alleged to have committed sexual misconduct is adjudicated to be not guilty.

Any school with students under the legal age of consent is at risk for claims arising from real or alleged sexual misconduct or molestation. It is less of a problem at colleges and universities where most students are above the age of consent.

Employee Benefits Liability: This exposure is created from legal obligations arising from actual or alleged acts, errors, or omissions in the administration of the school's employee benefit program. Claims for damages may be brought by an employee, former employee, or their beneficiaries or legal representatives.

Law Enforcement Professional Liability: This exposure arises from a school's performance of school law enforcement activities, such as the use of security personnel to protect students, the public, or property. Lawsuits may be brought for compensatory damages because of bodily injury, personal injury, or property damage arising from wrongful acts committed by security personnel. Personal injury acts include assault, battery, false arrest, detention or imprisonment, unnecessary use of force, violation of civil rights, slander, libel, wrongful entry or eviction, invasion of privacy, and similar actions.

Violent Events Response Coverage for Schools

Violent Events Response Coverage: Over the past several years, violent events at schools, even though rare, have become a significant concern for even the best schools. To help our school customers recover successfully in the aftermath of such events, we offer expanded liability coverage that assists schools in coping with possible additional expenses.

This optional endorsement provides coverage for specific expenses the named insured incurs in response to a violent event, and for loss incurred by or on behalf of an insured, other than the named insured, as a result of a violent event. Payments are made regardless of legal liability.

Covered violent events are intentional criminal acts involving the use of a physical object for the purpose of injuring any person, which results in two or more persons, other than the perpetrator, sustaining "serious bodily injury" or being held as "hostages"

The definition of an insured includes the school, employees, students, board members, volunteer workers, student teachers, and authorized parent support groups.

Available per event and aggregate limits areas follows:

\$300,000 / \$300,000

\$500,000 / \$500,000

\$1,000,000 / \$1,000,000

Subject to the per event and aggregate limit, this optional endorsement pays for response expenses incurred by the named insured that are reasonable and necessary for:

Transportation of students to a substitute premises—up to 30 days

Public relations consultant, media costs—up to 30 days

Security services—up to 15 days

Group counseling services—up to 60 days

Rental of substitute premises—up to 30 days (Excess coverage)

Wages of temporary personnel replacing injured employees—up to 30 days

Subject to \$25,000 per person, per event, and aggregate limits, pays for loss such as:

Personal counseling services for any insured who sustains serious bodily injury or was held hostage—up to 90 days after incident occurred.

Personal counseling services for an immediate family member of an insured who sustains serious bodily injury or was held hostage—up to 90 days

Medical expenses (Excess coverage)

Funeral expenses

Death Benefits—up to \$15,000 per person *(Not available in Illinois)*

Loss of Income for any insured who sustains serious bodily injury or was held hostage, or a care provider—up to 30 days with a maximum of \$3,500

School Program Eligibility Guide

In addition to what we commonly think of as schools, there are other operations that may be referred to as schools or may include the word “school” in their name. Some are acceptable, some are not. The guide below will help you in determining eligibility.