

CHARTER SCHOOLS

Insurance and
Risk Management Guide



CCIG
INSURANCE • BENEFITS

General Liability

Charter and private schools can be sued over claims for negligence, property damage and bodily injury, among other things. That's where a General Liability policy comes in. Here are some of the risks that such a policy can address:

- Bodily injury or property damage – Helps protect against certain claims alleging financial loss due to property damage or bodily injury arising out of your operations.
- Reputational harm – Helps protect your center against certain claims of false arrest, malicious prosecution, libel, slander, wrongful eviction, violation of the right of privacy and more.
- Advertising errors – Helps protect your business against certain claims if others allege you infringed on their copyrights when advertising services in your advertisement.
- Medical payments – Helps protect against certain claims medical costs if someone is injured on business premises and needs medical treatment.
- Damage to premises rented to you – Helps protect your business against certain claims for damage to premises rented to you due to fire, lightning or explosion.

Abuse and Molestation Insurance Coverage

Often part of a general liability policy, this coverage addresses claims of physical abuse and sexual molestation. Any childcare provider, large or small, takes a major financial and reputational risk by not carrying abuse and molestation insurance coverage.



Property Insurance

From buildings to books, your commercial property is vital to your business. So is protecting it from a wide variety of unplanned risks.

Property coverage can include:

- Buildings: school, temporary classrooms, gyms, bleachers, ticket booths, refreshment stands, playground structures
- Contents: furniture, books, gym equipment
- Computers, tablets, computerized equipment, printers and software
- Personal property of teachers and students
- Refrigerated property
- Extra expense: Expenses outside of normal operations, due to a claim. For example, if damage occurs to the school, temporary classrooms may need to be rented while repairs to the building are performed. The rental expense would qualify as an extra expense.

Commercial Auto Insurance

A commercial auto policy provides much broader coverage than a personal auto policy. It includes:

Liability Coverage

Provides protection against liability for bodily injury and property damage to others caused by the maintenance or use, including loading and unloading, of your school-owned autos.



Uninsured Motorists Coverage

Provides protection for damages sustained by the insured that result from an accident caused by an uninsured motorist.

Underinsured Motorists Coverage

Provides protection for damages sustained by the insured that result from an accident caused by a driver whose automobile liability insurance limits are inadequate.

Physical Damage Coverage

Protects your owned autos against accidental loss or damage, including:

- Collision and comprehensive coverage
- Specified causes of loss coverage – for example, theft, vandalism, hail, windstorm, flood, fire, explosion.

Workers' Compensation

Workers' compensation insurance is there to protect employers and their injured workers by paying for medical expenses and a portion of lost wages when an employee is injured on the job. It's also designed to ensure that injured workers get the type of specialized care they need to get back to work healthy, safe and as quickly as possible.

Colorado state law requires a business to have workers' compensation coverage if they have even one employee.



Employment Practices Liability Insurance

EPLI covers schools against claims by workers alleging their legal rights as employees have been violated. It also covers third-party claims.

You're at risk of an employment claim from the moment you interview a prospective employee. For example, if you choose not to hire the interviewee, that individual could allege some sort of discrimination. Or, if you hire that person and later fire them due to poor attendance, that discharged employee could claim wrongful termination.

An EPLI policy will reimburse your school against the costs of defending a lawsuit in court and for judgments and settlements. The policy covers legal costs whether your school wins or loses the suit. Punitive damages or civil or criminal fines are not covered.

EPLI provides protection against many kinds of employee lawsuits, including claims of:

- Sexual harassment
- Discrimination
- Wrongful termination
- Breach of employment contract
- Negligent evaluation
- Failure to employ or promote
- Wrongful discipline
- Deprivation of career opportunity
- Wrongful infliction of emotional distress
- Mismanagement of employee benefit plans



Professional Liability Insurance

Professional Liability insurance helps cover the costs and legal fees your center may incur if it is found negligent in the professional services it provides.

Typical allegations that educators have to defend themselves against include:

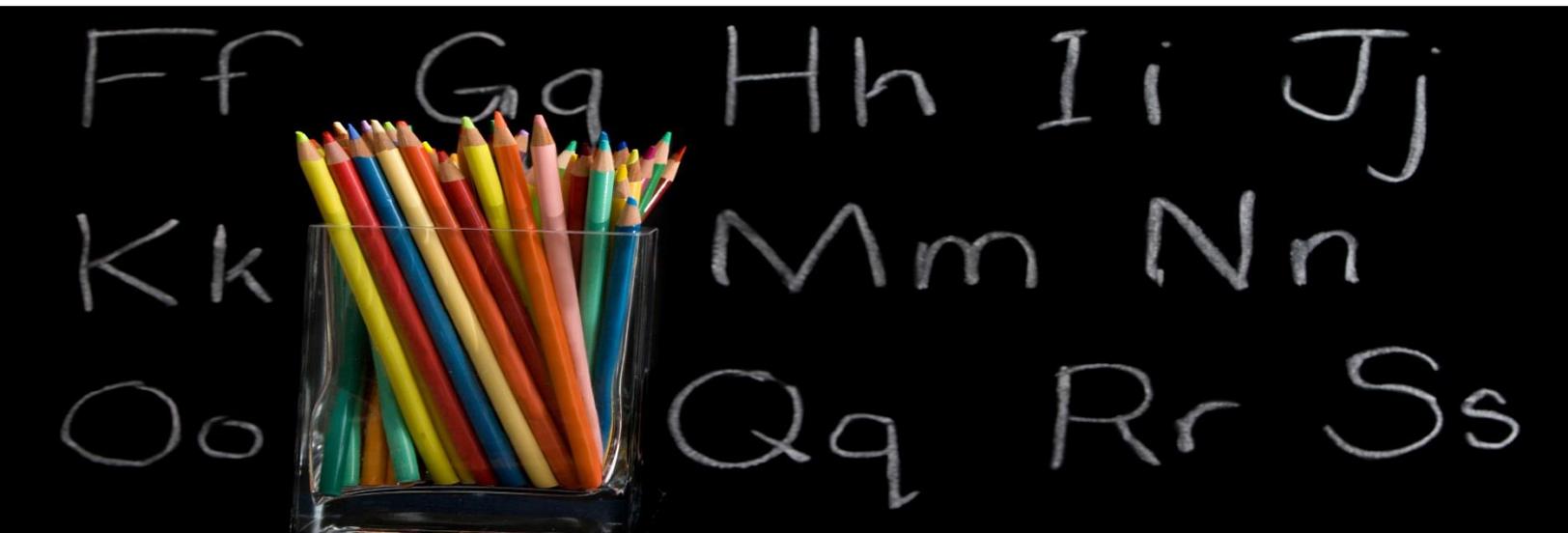
- Failure to educate.
- Failure to supervise a classroom.
- Sexual harassment, wrongful termination or discrimination.
- Breaches of duty, neglect, errors or omissions.
- Failure to respond to or prevent bullying activities of the students.

The typical educators' liability policy is designed to protect not only teachers, but also school board members, administrators, volunteers, counselors and other members of a school's staff.

Directors & Officers Insurance

Directors & Officers insurance covers individuals against liability claims made against them while serving on a board of directors or as an officer.

The executives and board members of a school can be held responsible for a school's failure to comply with regulations. They can also be sued if their school suffers losses because of operational failures and mismanagement.



Typical D&O claims include:

- Creditor suits over mismanagement or dereliction of fiduciary duties.
- Failure to act in good faith.
- Decisions exceeding the authority granted to a school officer.
- Failure to comply with regulations or laws.

Commercial Umbrella Insurance

Commercial Umbrella Insurance provides businesses with additional liability coverage to help protect them against the potentially ruinous costs of claims.

Significant assets can be at risk when businesses are the target of lawsuits. If the cost of a claim exceeds the limits of a business's underlying primary insurance policies, Commercial Umbrella Insurance extends liability coverage for an additional layer of insurance to further protect business assets. Without Commercial Umbrella Insurance, business owners could be obligated to pay out of pocket for legal fees, medical bills, and damage expenses that exceed the limits of their underlying primary business coverages.

Foreign Travel Insurance

These insurance plans help you to ease parents' fears about sending their children on school-sponsored trips. They also limit the school's financial exposure. Here's what they can include:

Medical coverage. It's important to be covered for unexpected medical issues and reimbursement for anything students and their parents may have to pay out of pocket for.

Emergency evacuation coverage. This coverage finances a safe and planned medical evacuation when a person otherwise cannot be moved in order to receive medical care.

Trip cancellation or interruption. You never know when a student might need to fly home for a family emergency. This type of coverage will give them the means and funds required to book a flight home and to return back to their destination afterward.

Emergency medical reunion. This covers the funds needed to transport a family member or friend to a student's bedside in case they are hospitalized while abroad.