



## SCHOOL INSURANCE NEWSLETTER

*October 2018*

### **Market Conditions**

An East Texas district filed suit against a risk pool alleging failure to have sufficient funds to pay a claim and for pool mismanagement. Several other districts are having claims paid over a three year period. One coastal district is facing criticism from its taxpayers for selling bonds in order to pay for repairs because its risk pool has failed to pay damage claims. I understand that another district is suing the risk pool manager/insurance broker for TAPS. For more information go to [RISK POOLS](#).

The legislature should require that risk pools provide audited financial statements including reinsurance information to its members. The Texas Department of Insurance states they have no jurisdiction over risk pools. Unfortunately, I have no legislative contacts and those offices I have contacted have not responded. Can you put me in touch with a legislator who cares?

### **Security/Police Employed & Contracted**

As districts add security it is important to evaluate potential liabilities. Each insurer and risk pool addresses Law Enforcement liability differently. **Employed officers** should have the same coverage as other employees – Worker’s Compensation, General Liability and Automobile Liability. Be certain that your district’s Liability protection extends to cover Law Enforcement activities. **Contracted law enforcement officers** (city, county or private) should have coverage via the contracted entity. **Independent contracted officers** typically have no insurance and may not be covered by the district’s coverage.

When your district brings on additional outside officers, even for traffic control at football games, we suggest that they be acquired (with insurance) from the city, county or private company. Be certain to obtain a Certificate of Insurance whenever contracted officers are utilized.

### **HB639 - Students Participating in Career or Technical Programs**

This bill, now law, allows districts to purchase **Accident, Liability and Auto** coverage for student participants. We have not seen instances where coverage has specifically been purchased, but we have been asked questions.

**Accident:** The district’s current accident insurance can include coverage for such students. Be sure to include them in the definition of who is insured.

**Liability:** Assuming this means General Liability (premises & operations), the district has immunity, as does the student under section 29.192 of the bill (same as district volunteer). Some risk pools include such students as **Covered Persons**.

**Automobile:** In Texas, coverage follows the Auto. If a student is using their own or family owned auto, that policy would apply. If using the sponsor’s auto, the sponsor’s coverage would apply.