



SCHOOL INSURANCE NEWSLETTER

March 2019

15 Passenger Vans

Click on this link to read an excellent article from TPS on the use of 15 passenger vans.

<https://conta.cc/2DEXZmP>

Wind & Hail Deductible Buy Down

For those Districts that have a % deductible or an unacceptably high deductible, analyze the **total deductible** that would apply if a wind or hail storm struck your district. It is not unusual to have several buildings subject to the same storm. Multiply the deductible percentage times the damaged property's total scheduled values. Example: Hail deductible 3%. Scheduled value of schools damaged \$100,000,000. Total deductible \$3,000,000.

Determine the District's Maximum Possible Loss. If it is more than the district can afford, consider buying insurance to reduce the maximum deductible. If your district is larger than \$100,000,000 in values, request an RMS report. This report analyzes the probability of each type of loss: fire, wind, hail and flood over a variety of years (100, 250, 500, 1,000).

Student Accident Insurance

The purchase of insurance for others is normally an "unconstitutional gift of public funds"; however, Education Code Sec. 38.024 "...a school district may obtain in insurance against bodily injuries sustained by students while training for or engaging in interschool athletic competition or while engaging in school-sponsored activities."

We see districts covering a variety of activities from football only, sports only, all UIL activities to all K-12 students. Some schools do not purchase any student insurance and utilize a disclosure to advise parents.

1. Be careful when changing companies as the result of an RFP. The same claim under a new policy may not be covered, as it was under the expired policy.
2. Avoid paying deductibles from district funds; it sets a bad precedent and may be considered an unconstitutional gift of public funds.
3. Beware of companies "low balling" the first-year premium to get the business. Request a multi-year agreement.
4. Check references.