



SCHOOL INSURANCE NEWSLETTER

July 2021

Market Conditions

We are just now seeing September renewals. Some of the interlocals are still negotiating their re-insurance contracts; that can affect the delivery date, the price and the coverage. Recent RFP engagements are showing increases in pricing and deductibles. Plus, roofs continue to be a huge problem. Some companies are only providing Replacement Cost protection for newer roofs. Example: if your roof is over 15 years old, the claim may be depreciated; for a 20 year roof, you would only receive 25% of the cost to replace it. Understand your coverage and ask for a comparison of the differences.

Interlocals' Financial Status

The Freeze is still impacting losses, as repairs and even identification of damage have been slow. Some districts still have not received reimbursement for claims. Your district should have received at least, an initial payment by now. An Oklahoma school risk pool stopped doing business at the end of June (OCPA). Member districts will be receiving invoices for 42% of their 2020-21 plan contributions (OPSRC). Even audited financial statements may not provide adequate information.

Cyber Scorecard

This coverage continues to evolve with ever increasing claims, deductibles...and premiums. CBIZ is known to us for their excellent district property appraisals. They have prepared a really good Cyber Risk Exposure Scorecard. Click here for a copy [CBIZ](#).

Changing Educators Professional Liability Carriers at Renewal? Read This.

Most policies – Auto, General Liability, Worker's Compensation, Property – are **Occurrence** based; the policy in force at the time the event occurred is responsible for paying the claim, regardless of when it was reported. However, some policies require prompt reporting to keep a claim from escalating. We are now seeing companies and risk pools requiring that wind/hail claims be reported within a certain time; e.g., 12 months.

The **Educators Professional Liability** coverage is generally issued on a **Claims Made** basis. The event and report to both the insured and the insurer must happen during the policy period (including renewal).

If you are changing companies, be certain, prior to policy expiration, to advise the expiring carrier of any instance that may generate a future claim. Types of claims are wrongful acts, including civil rights violations, sexual misconduct, law enforcement, employee benefits or employment related instances. Check for such instances with the Superintendent's office, Police Department, Human Resources and Legal.

It is important to understand the Retroactive Date in Claims Made coverage. Do not accept a Retroactive date that is the effective date of the coverage. It should typically be 10 years prior, unless there was no previous coverage in place. Often instead of a Retroactive Date, "Full Prior Acts" is substituted for a date. Regardless of which is shown, the new coverage will only apply if you had no knowledge of the event.