

ROBERT V. REIM COMPANY

INSURANCE CONSULTING
BID MANAGEMENT



SCHOOL INSURANCE NEWSLETTER

April 2021

Market Conditions

Still too early to predict September rate increases. Risk pools other than TASB RMF typically have September re-insurance renewals. I expect those renewals will be delayed because pricing may not be available until closer to September 1 because of this year's freezing. Hail and tornado season is just starting, and the hurricane season is predicted to have more storms than normal. TASB's re-insurance renewed earlier this year, before the freeze. We are predicting a 10% increase from them unless your district has had losses.

Covid losses should not impact Worker's Compensation rates, which remain competitive.

If you are considering going to bid, remember to provide advance notice as required by your Interlocal agreement. Contact us for a sample letter or check out our website.

Wastewater Treatment Plants

Some districts operate treatment plants. Most liability policies exclude wastewater discharge. Such liability may have immunity protection, but the cost of legal defense would still be an issue. Check with your General Liability insurer.

Changing Educators Professional Liability Carriers at Renewal?

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 may be alleged 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. Instead of a Retroactive Date, "Full Prior Acts" is often substituted for a date. Regardless of which is shown, the new coverage will only apply if you had no knowledge of the event.