AN OVERVIEW OF BUSINESS INSURANCE (OTHER THAN EMPLOYEE BENEFITS)

Year of Success

December 10, 2021



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M3 Insurance



RISK MANAGEMENT PROCESS





INSURANCE AGENTS AND INSURANCE COMPANIES

- Limited Number of Qualified School Insurance
 Companies in Wisconsin
- Partnership
- WASB Insurance Plan



TYPICAL POLICIES PURCHASED BY SCHOOLS

- Workers' Compensation
- General Liability
- Automobile
- Educator's Legal Liability
- Excess Liability
- Property
- Crime
- Cyber



- Cyber
- Pollution
- CommunicableDiseases
- Divided communities/
 Board tension/ Social discourse







WORKERS' COMPENSATION

- Legally required
- Pays for injuries to employees
 - In the course of employment
 - In the scope of employment





WORKERS' COMPENSATION

- Who is an employee?
 - Any party that receives remuneration
 - Caution: Independent
 Contractors
 - Wisconsin 9 point test





WORKERS' COMPENSATION CLAIMS

- Timeliness is Very Important
 - First Report of Injury to School and Insurance Company
 - Waiting period for Indemnity
 - Return to Work



WORKERS' COMPENSATION PREMIUM

- Class Code 8868 9040
- Payroll
- Experience Modification
 - Your experience compared to
 - other schools





EXPERIENCE MOD EXAMPLE

- Professional payroll
 - o Code 8868
 - o Rate .53
- All other payroll
 - Code 9101
 - o Rate 4.74
- Experience mod 1.0
- Experience mod 1.25

- **\$13,000,000**
- **\$1,250,000**
 - 559,250
- **68900+59250=128,150**
- **128150*1.0=\$128,150**
- **128150*1.25=\$160,188**
- 1.25 = \$32,038 more



WORKERS' COMPENSATION DIVIDENDS

- Dividends are paid by insurance companies
 - Variations: Flat, Sliding Scale or Combination
 - Not Guaranteed (almost always paid)
 - Basis: Losses, Competition, Market
 Conditions



WORKERS' COMPENSATION BASICS

- The basics of coverage & benefits
 - It's all about the statute





WORKERS' COMPENSATION BENEFITS

- Med Pay: Medical treatment, appliances & supplies
- Indemnity: begins after 3 day waiting period;
 waiting period waived if out more than 7 days
- TTD: Tax free and 2/3 of gross 52-week average weekly wage
- TPD: Temporary Partial payment for injured employee if working at a reduced wage



WORKERS' COMPENSATION BENEFITS

- PPD: Payment for Permanent Impairment from injury
- PTD: Lifetime Payments when Employee can no longer work due to injury
- Death Benefits: Burial Expense, Death Benefit



MONEY SAVING TIPS

- Establish culture of safety and early return to work within restrictions. Coordinate with Doctor
- Maintain close contact with employee and require check-ins after medical appointments; Keep claim adjuster informed
- Accident investigation-root cause/district wide solution



MONEY SAVING TIPS

- Require reporting of injuries within 24 hours
- Have a return to work transitional duty program
- Claim reviews/ aggravated inequities (review reserves)



LIABILITY

- General (GL) and Auto Liability (AL)
- Covers district's negligence for bodily injury, personal injury and damage to property of others.



"Do you have your insurance information on you?"



LIABILITY

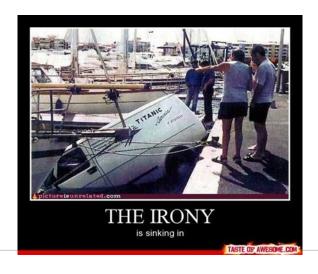
- Wisconsin Statute 893.80 Liability Claim Caps
 - \$50,000 per claim for GL
 - \$250,000 per claim for Auto
- Surrounding states/federal government do not have caps
- Bus fleet exposure
- Wisconsin Statute 895.52 "recreational immunity"





SAVING MONEY ON LIABILITY CLAIMS

- Report to claims stay out of the middle
- Advise employees to only talk to district insurance company
- What is said WILL be used against you





EDUCATORS'/SCHOOL BOARD LEGAL LIABILITY

- Includes Special Education, Professional Error or Omission and Employment Type claims
- Errors or Omissions: Failure to use due care and degree of skill expected of a professional in that profession
- Many of these claims are federal claims
- Uptick in Failure to Educate claims due to COVID-19 and mask vs. no mask policies



SCHOOL BOARD LEGAL LIABILITY

- Business office should be notified immediately
- Notify Insurance Company immediately
- Consult with Insurance Company on Attorney choice
- No private conversation about the claim



PROPERTY

- Insures the property you own or lease
- Includes property in the Open
- No standard coverage
- Extra expense
- Boiler Mechanical Breakdown



INLAND MARINE

- Contractor's equipment
- Portable property



CRIME

- Employee Dishonesty: Employee Theft
- Computer Fraud: Funds stolen via computer
- Funds Transfer Fraud: Unauthorized transfer of funds
- Money and Securities
- Forgery and Alteration
- Might include Social Engineering



- Cyber
 - o Theft
 - Ransomware
 - Social Engineering
 - Personally Identifiable information
 - Underwriting: tightening
 - Schools are targets



- Pollution
 - Mold/asbestos
 - ▶ Clean up
 - **▶** *Liability*
 - Disposal
 - ▶ Liability for Contractors



- Communicable diseases
 - New exclusion after COVID
- Divided communities
 - Mask vs No Mask debate
 - Curriculum disagreements





EDUCATION & RESOURCES

- WASBO-CSRM and conferences
- WSSCA
- PRIMA IRMI, etc
- WASB Insurance program

