



PSIC

Prairie State Insurance Cooperative

Frequently Asked Questions

As of November 30, 2018

- With the recent rash of school shootings does PSIC have any active shooter or violent acts insurance policies in force?
 - PSIC added the Violent Malicious Acts coverage to the Program at renewal on July 1st. Should a shooting or other violent act occur at one of your schools, like a knifing or vehicular assault, this policy would provide coverage for the extra expenses the district incurs as a result of the act such as counseling for staff/students, funeral expenses for victims, additional transportation expenses and relocation expenses.
- Our Special Education department is going to contract out transportation services and use the local Taxi Company. Are there any special insurance requirements that a Taxi firm must have?
 - Per Illinois statute an entity being contracted out to provide transportation services for a School District must carry a minimum of \$2,000,000 Combined Single Limit on the Automobile Liability coverage or \$1,000,000 Combined Single Limit on the Automobile Liability coverage with a \$5,000,000 Umbrella or Excess Liability policy over it. We also strongly recommend the entity carry General Liability insurance that includes coverage for Sexual Misconduct. All Liability coverages should name the District as an Additional Insured on a primary and non-contributory basis.
- Our district recently had our carpets cleaned and when we came back to work on Monday we noticed that black mold was all over the carpets, desks, and walls. Is there any PSIC insurance Coverage for this type of incident?
 - The PSIC Property/Casualty program includes Mold coverage under the Pollution Liability policy. A claim should be reported to PSIC's Pollution Liability insurer, Ironshore. Please contact a member Gallagher's PSIC Administration team or ARM of IL to assist with reporting this incident to Ironshore.
- Our district was recently served with an EEOC document where an employee is suing the district for age discrimination. Our district's legal counsel immediately handled the response back to the EEOC. A year later the EEOC notifies the district that the employee has the right to sue.



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The district's legal counsel tells the district to turn this into the School Board Legal Liability insurer. Is this covered under the PSIC program?

- While EEOC matters are covered under PSIC's School Board Legal Liability coverage, the incident should have been turned into the insurer immediately after it was received (not a year later when the EEOC responded). Failure to turn in an EEOC matter in a timely manner could preclude coverage since School Board Legal Liability coverage is provided on a Claims-Made basis. In this scenario coverage would be denied since the district's knowledge of the incident occurred in a different policy term than the district's reporting of the incident. If your district receives an EEOC matter it should be turned into Gallagher Bassett immediately.

As of November 30, 2017

- Often times I hear Insurance personnel ask me for my COPE information; what does that mean?
 - COPE information is a term used in Property underwriting by insurers. Insurers need to get your district's COPE information to properly underwrite the building. COPE means:
 - C – Construction (e.g., frame, masonry, masonry veneer, superior construction, mixed—masonry/frame)
 - O – Occupancy (how the building is being used for commercial property and whether it is owner-occupant or renter-occupied for homeowners and the number of families for which the building is designed)
 - P – Protection (e.g., quality of the responding fire department including whether it is paid or volunteer, adequacy of water pressure and water supply in the community, distance of the structure to the nearest fire station, quality of the fire hydrant, and the distance of the structure to the nearest hydrant)
 - E – Exposure (risks of loss posed by neighboring property or the surrounding area, taking into consideration what is located near the property, such as an office building, a subdivision, or a fireworks factory)
- If Students are involved in a fight would Student Accident coverage apply?
 - Normally under the Student Accident coverage the Non-Aggressor who is injured would be afforded Student Accident coverage. The Instigator or Aggressor would not be afforded coverage.



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- Do our District PTA's, PTO's, Booster Clubs and Education Foundations need their own Liability coverage?
 - As long as these groups are specifically authorized by the district they do not require their own Liability coverage as the district's Liability coverage through PSIC extends to them. We do recommend these groups obtain their own Crime coverage if they handle a significant amount of funds as the district's Crime coverage would not extend unless their funds are accounted for in the District's annual financial audit.
- New Carrier, effective July 1, 2017, for your convenience, you should reach out via the inspection hotline: 1-800-425-4119

Email: boilinsp@travelers.com

Travelers Property Casualty Company of America
Policy No: BME1-3J142919-TIL

When calling please have the following information available and that your district is a member of the Prairie State Insurance Cooperative and they will have a local engineer contact you to schedule an appointment.

- Name of member
- Member contact information
- Policy number
- Location address of the equipment
- Type(s) of equipment requiring inspection
- Certificate inspection date and certificate number

If leaving a message, please leave your name, school district name and phone number.

- Our District recently contracted out with a Third Party Vendor to provide After School Programs for our students; should the Vendor be providing us with insurance?
 - Yes, all outside Vendors who perform services for the District should be providing the district with a Certificate of Insurance evidencing proper Liability and Workers Compensation coverage. In addition the district should be named as an additional insured on a primary and non-contributory basis on the Liability coverages and in the case of vendors dealing with students directly confirmation should be included that the Liability includes coverage for Sexual Misconduct. Once you receive the certificate from the Vendor feel free to send to your AJG Co. team for



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review if you are unsure if the proper coverages are being provided. A Sample Certificate of Insurance is included in the PSIC Risk Transfer Manual.

As of December 1, 2016

- If a student has their eyeglasses broken in gym class does student accident coverage replace the eyeglasses?
 - Replacement of eyeglasses is not covered under the PSIC student accident coverage.
- When do I give out Student Accident Claim Forms to the parents?
 - Student Accident claims forms should be distributed immediately to the parent when a child has a serious accident at school. See handout regarding reporting of student accident claims.
- Our district is going to have many 'student teachers' working in our buildings during the school year. Are these "student teachers" and the district covered?
 - Under the definition of a named insured under PSIC's Package policy, those "student teachers" are afforded coverage as long as they are under your control and supervision. It is recommended that before you place any 'student teacher' in the classroom, that you do a background check on those 'student teachers'.
- Our PTO/Booster Club is going to do a fund raiser and will have a cash bar. Are we covered under PSIC?
 - If the district is holding a fund raiser and has an open bar, the district needs to purchase a separate special events policy that includes liquor liability coverage. The cost of this policy for a \$1,000,000 liability limit is nominal. Please contact one of your Service Team members and we can get a policy put in place before your event.
- Our spring sports teams are going out of state to participate in sporting events. Is this covered under PSIC?
 - All of your teams would be afforded coverage if you cross state lines to participate in sporting events. If it is an overnight trip the district must make certain that they have the proper number of chaperones to supervise the teams. In addition it is highly recommended that clear rules of behavior are set for the coaches and players.



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- **My district is purchasing laptops for all of our students. Can I insure those under the PSIC program?**
 - Under the PSIC program we do have EDP coverage. The coverage is subject to \$1,000 district maintenance deductible. In all probability, the child's missing or damaged laptop costs much less than the \$1,000 deductible.
 - PSIC has developed a Laptop program. It is called the One2One Program for students and staff laptops, ipads, etc. This program allows the district to choose the deductible they would want in addition the program can be set up very similar to how a districts runs there fee and reduced lunch program. The coverage is all risk and provides replacement of the unit for perils, such as theft, broken screens, water damage, etc.
 - Please contact your PSIC Service team if you are interested in securing One2One coverage.

As of May 10, 2016

- **Is our district covered if one of our employees steals money or supplies?**
 - Under the PSIC program this type of loss would be covered under the PSIC Crime policy under Employee Dishonesty coverage. Each PSIC Member has a \$1,000,000 policy limit.
- **Is our district covered if we send our student clubs on overseas trips?**
 - Each PSIC district would be afforded Liability coverage in the event the claim was brought back to the United States. In all probability that will not happen. A district that has student clubs going overseas needs to purchase a Foreign Liability policy.
 - This policy provides \$1,000,000 in liability coverage. Contact one of your Service Team members for a quote.
- **Our district is doing a \$5,000,000 Renovation project and a \$7,000,000 New Addition to one of our schools. Are there any special coverages that the district needs?**
 - The School District needs to purchase a Builders Risk policy in the amount of \$12,000,000. In addition the district needs to carefully review the AIA Contract with their legal counsel to make certain it is written to properly protect the School District's interests.
- **Should our district be giving a Certificate of Insurance form to outside vendors, such as Nurses, Food Service firms and naming them as Additional Insureds?**
 - A district should never give an outside vendor a Certificate of Insurance form and name them as an Additional Insured.



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- Any third party vendor who performs a service for your district should be furnishing to your district a Certificate of Insurance form. The Certificate should name your district as an Additional Insured on a primary and non-contributory basis.
- Does PSIC recommend that we allow chaperones to bring their own children (that aren't district students) on field trips?
 - It is our recommendation that your district not allow chaperones to bring their non-district children on field trips. The reason is for Safety & Liability issues. A chaperone should be concerned with the safety of the students on a field trip. By having their own children on the trip the natural tendency is to be concerned with the safety of their own children first rather than with the students.
- What does Fiduciary Liability coverage provide?
 - The Fiduciary Liability Policy is a claims made policy that pays on behalf of the Insureds, loss on account of any Fiduciary Claim made against the Insureds for a Wrongful Act committed, attempted or allegedly committed or attempted before or during the policy period by such Insureds or by any person for whose Wrongful Acts the Insureds are legally responsible.
- Parents want to drive some football players to a game. Are they covered under the PSIC Program if they get in an accident?
 - Parents are not covered under the PSIC program for driving their students to sporting events. The Liability follows the vehicle.
- Our school employees want to use the gym after hours. Are they covered?
 - Typically school employees are not covered under Workers Compensation if they use your gym facilities after hours, unless it is part of their normal responsibilities such as a school related coach.
- What should we require from outside vendors we invite on our property?
 - All outside vendors who perform services for the district should be furnishing to the district a certificate of insurance form showing evidence of their insurance coverages. The certificate should be written by carriers with an AM Best rating of at least A – VII.

In addition the certificate should name the district as an additional insured as their interests may appear on a primary basis. Also once you receive the certificate from the vendor, please send to your AJG Co. team for review and approval. A Sample certificate is listed in the PSIC Risk Transfer Manual.



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- **Non-school sponsored field trips – should we get students to sign a parent slip that the event is no way connected to the school? And have teacher sign a waiver and indemnify the district?**
 - On non-school sponsored field trips, you should work with your district's legal counsel to draft a letter to all parents outlining that the trip is not an approved school sponsored trip and that the district does not assume any liability.
- **Should we allow vendors to use the district's equipment – ladders and lifts?**
 - The district should never allow a vendor to use your ladders or lifts. The vendors should bring their own tools and equipment onto your site. If you allow them to use your district's tools, ladders and lifts and if that vendor got hurt, it would be the district's liability. The vendor's workers' compensation carrier would subrogate against PSIC and the district for having defective equipment.
- **We are requesting Bus Transportation bids. What coverage and limits should we ask for? Anything else?**
 - A sample certificate is outlined in the PSIC Risk Transfer Manual.
- **Does PSIC cover the cost of Property Appraisals?**
 - Under the PSIC program, PSIC does not cover the cost for physical property appraisals. PSIC does have an arrangement with Gallagher Bassett where they give our members a price discount for those services as a member of PSIC.
- **We are going to build a new school and just starting to work with the architect and builder. It is okay to sign an AIA contract?**
 - When a member district is going to do a new construction project or a renovation, the district needs to purchase Builders' Risk coverage to protect the district during the course of construction. A district should never sign an AIA document without legal counsel reviewing the wording in the contract. There are a number of clauses in those documents that do not provide any protection to the district. In the PSIC program our legal counsel will review any AIA documents and wording on behalf of our PSIC members for no charge to the member district. PSIC will pick up that cost. The reason being is that we want to make certain your district is properly protected.
- **We are having a Fun Fair at the school and renting a Jumpy House. Is there coverage under the PSIC program?**
 - All Fun Fairs, Dances, Carnivals are afforded coverage under the PSIC program as long as the district's Board of Education approves those events.



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- When renting equipment, such as slides, and jumpy houses, the district should get a certificate of insurance form from the rental company and that the certificate names the district as an additional insured as their interests may appear on a primary basis. When you receive the certificate from the rental company, please send it to your AJG Co team or ARM of IL for review.
- Should I let coaches and teachers drive one of our white mini buses/ activity buses that the district uses?
 - Coaches and teachers can drive the white activities buses as long as they have a valid driver's license.
- We have some student internships working in stores in various capacities. Is there coverage under the PSIC Program if they get hurt?
 - With student internships, and students working in stores in various capacities, that can cause a number of issues that need to be addressed. Usually if the student is getting paid from the vendor that vendor would be responsible for the student's workers' compensation coverage if a student got hurt. If a student is not getting paid and got hurt on a job, the student could file a liability claim against that vendor for any damages they may have incurred. In addition under PSIC we also have student accident coverage available for all students.
 - When contemplating placing students in internships it is important to work with your legal counsel and review those internship agreements to see who is responsible for the student. Many times we see those agreements are one sided and protect the vendor and makes the school responsible for any student injuries, when our districts do not have any control over the student at the vendors job site.
- What if I have to rent a bus for a special field trip? What should I require from the company?
 - When renting outside transportation such a bus for a special field trip you should require the following minimum coverage limits:
 - General Liability: \$1,000,000 Per Occurrence/\$3,000,000 General Aggregate Including Sexual Abuse
 - Automobile: \$2,000,000 Combined Single Limit or \$1,000,000 with \$5,000,000 Umbrella Limit
 - Workers' Compensation: \$1,000,000/\$1,000,000/\$1,000,000
 - Umbrella Liability: \$5,000,000 Per Occurrence/\$5,000,000 General Aggregate (minimum)



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- **Carriers:** All should be rated by AM Best of at least an A- VII. District should also be named as an additional insured on a primary basis. Also use a district credit card to rent the bus.
- **If we are renting out our buildings, what should we require from the renters?**
 - **If the district rents their facilities, you should require those groups to give you a certificate of insurance form and name the district as an additional insured on a primary basis. Once you receive the certificate from the vendor, please give to your AJG team for review and approval.**
- **Are our school volunteers covered for Workers' Compensation coverage if they get injured?**
 - **Under the PSIC Program the definition of the named insured has been broadened to include volunteers as insureds as long as they are under the district's control.**

If a volunteer got injured and was under the district's control, then workers' compensation coverage could apply.

- **Are therapy dogs covered under the PSIC program?**
 - **We recommend that before a district brings therapy dogs into a school that they take the steps to notify the parents of this possibility and find out if any students are allergic to dogs or dog hair, or if their students are scared of dogs. If the district is going to proceed with therapy dogs then they need to get a certificate of insurance form from the owner of the therapy dogs, and have them name the district as an additional insured on a primary basis. Once received please send to your AJG team for review and approval.**