

## INSURANCE MANAGEMENT

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The Board of Education (Board) recognizes its responsibility under law to insure the replacement value of the property of this school district, both real and personal, against loss or damage by fire and expressly extends such insurance coverage to loss or damage caused by theft, water, glass breakage, explosion, boiler failure, smoke, windstorm, vandalism, and other hazards.

In placing property insurance coverage, the Board shall be guided by the price of the coverage, the ability of the insurer to meet obligations promptly and fully, the reputation and past performance of the insurer's agent, and the goal of distributing the insurance coverage of the district through various insurance brokers selected by the Board.

The Board is responsible for the purchase of insurance to cover various risks to which the school district is exposed. In order to evaluate the range of services available and the cost thereof, the Board will from time to time solicit quotes from interested agents. Coverage maintained in the following general categories may include:

- Worker's compensation and employer liability (including Board members when on school business)
- Comprehensive general liability (for all officers and employees)
- Comprehensive auto liability and physical damage (including mobile equipment)
- Pupil and athletic liability
- Comprehensive umbrella
- Property insurance (including boiler and machinery)
- Group accident as required by law
- Fidelity bonds
- Special multi-peril as necessary

The Board shall annually appoint an insurance advisor who shall review the insurance program of the district, consider alternatives, and report recommendations to the Board; recommend specific insurance placement and prepare specifications; assist the Board in the establishment and maintenance of property valuation and insurance records; provide annual safety and fire inspections; process all claims; provide workshops and lectures on fire safety and prevention and safety precautions to the appropriate staff members; and recommend such measures as may reduce the cost of insurance premiums.

To be eligible to represent this Board an insurance agent must write all insurance through a company whose minimum financial status, so far as loss paying ability is concerned, is rated by A.M. Best and Company to be no less than A+; and must derive over fifty percent of his or her income from insurance premium commissions or receive no less than \$100,000 annually in premium income from sources other than this school district.

### Pupil Accident Insurance

The Board recognizes the need for insurance coverage for injuries to pupils caused by accidents occurring in the course of attendance at school and participation in the athletic and co-curricular programs of the schools.

The Board will maintain insurance coverage by a qualified insurer at no cost to the pupil for injury resulting from accidents sustained in the course of participation in the interscholastic football program, an interscholastic sports program, the cheerleading program, the band program, the intramural sports program, the physical education program, in any activity sponsored by the Board, and while traveling between home and school.

The Chief School Administrator (CSA) shall recommend suitable and qualified insurance carriers for Board consideration and notify all parents or legal guardians of pupils who may be eligible for insurance of its availability.

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**Legal References:**

<u>N.J.S.A.</u>	18A:11-1	General mandatory powers and duties
<u>N.J.S.A.</u>	18A:12-20	Indemnity of members of Boards of education against cost of defense of civil and criminal action
<u>N.J.S.A.</u>	18A:16-6	Indemnity of offices and employees against civil action
<u>N.J.S.A.</u>	18A:16-6.1	Indemnity of offices and employees in certain criminal actions
<u>N.J.S.A.</u>	18A:20-25 thru -33	Insurance of property; use of proceeds
<u>N.J.S.A.</u>	18A:60-4	Indemnity of employees against civil action

**Cross References:**

3440	Inventories	4248	Employee protection
3541.31	Privately owned vehicles	5141	Health
4148	Employee protection	5141.3	Health examination and immunizations

Adopted/Revised: 10/23/86; 3/17/16