

Building an Effective Insurance Program for Schools & Child Care Facilities



HOSTED BY:

iCare Software

Childcare Management Software



GUEST SPEAKER:

Andrew Massie, CPCU

School/Child Care Facility Specialist



About Your Speaker

- School / Child Care Facility Specialist
- B.S.M. Risk Management / Insurance - Florida State University
- Chartered Property & Casualty Underwriter (CPCU)
- Florida Association of Insurance Agents Council Member
- FACCM “Member Benefits” Insurance Agency



Discussion Topics

1. Property Coverage
2. General Liability / Excess Liability
3. Student Accident
4. Professional Liability / Abuse & Molestation Liability
5. Employment Practices Liability
6. Workers Compensation
7. School / Child Care Facility Insurance Market Update

Property Coverage - Valuation

➤ Replacement Cost vs. Actual Cash Value



Property Coverage - Coinsurance

➤ Coinsurance Vs. Agreed Value

COVERAGES PROVIDED (Insu		
PREM NO.	BLDG NO.	COVER
1	1	Building
1	1	BPP
1	1	Business Incon
1	1	Playground
2	1	Building
2	1	BPP
2	1	Business Incon
2	1	Playground

Bldg #	Description	Bldg Limit	Contents
-	Location 1 Valuation Basis is Replacement Cost		
1	Daycare Building	\$728,280	\$75,000
2	Daycare Building	\$520,200	\$75,000

Bldg #	Policy Coverage	Limits
	Coinsurance	Agreed Value
	Equipment Breakdown - Property Limits (Spoilage, Data Restoration, & Hazardous Substances Sublimit: \$100,000)	Included
	Business Income with Extra Expense Coverage = 1/4	\$360,000
	All Other Perils Deductible	\$1,000
	Wind/Hail Deductible	3%
	Catastrophic Ground Cover Collapse	Included
	Sinkhole Deductible	10%

Misc. Outdoor Property	Limits
PLAYGROUND EQUIPMENT - COMBUSTIBLE	\$100,000
PLAYGROUND EQUIPMENT - COMBUSTIBLE	\$100,000

Property Coverage - Deductibles

➤ Windstorm Deductibles

➤ “Hurricane”

"3% Hurricane Deductible"		
Insured Value	All Other Perils Deductible	Hurricane Deductible
\$1,000,000	\$1,000	\$30,000

➤ “Named Storm”

➤ “All Wind”

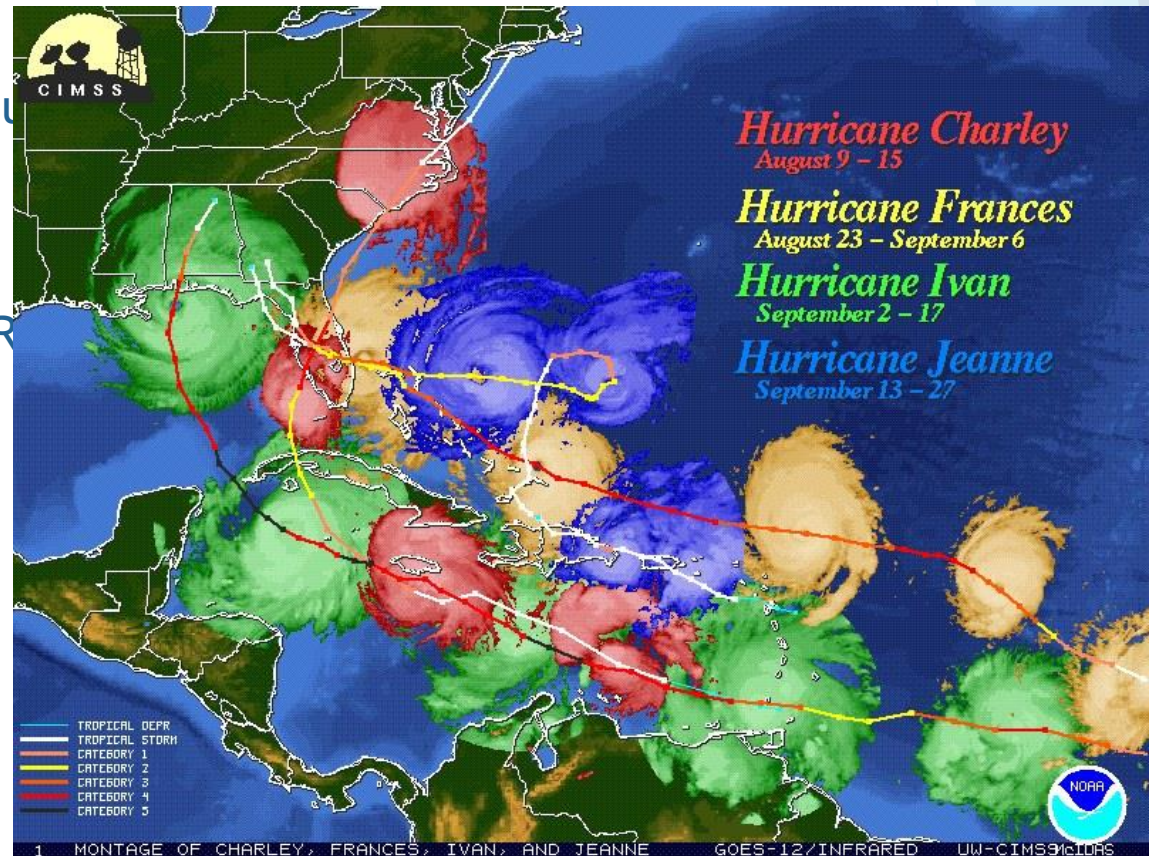
"3% Hurricane Deductible"			
Insured Value	Hurricane Deductible	Named Storm Deductible	Other Wind Deductible
\$1,000,000	\$30,000	\$1,000	\$1,000

"3% Named Storm Deductible"			
Insured Value	Hurricane Deductible	Named Storm Deductible	Other Wind Deductible
\$1,000,000	\$30,000	\$30,000	\$1,000

"3% Wind Deductible"			
Insured Value	Hurricane Deductible	Named Storm Deductible	Other Wind Deductible
\$1,000,000	\$30,000	\$30,000	\$30,000

Property Coverage - Deductibles Cont.

- Calendar Year Vs. Per Occurrence
 - Calendar Year
 - Eroding Deductibles
 - Per Occurrence
 - Deductible Rollover



Property Coverage - Business Income

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been received or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each. We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

Loss of Business Income must be caused by direct physical loss of or damage at the described premises caused by or resulting from any Covered Cause of Loss.

Property Coverage - Business Income Cont.

► Monthly Limitation

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Bldg #	Policy Coverage	Limits
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	All Other Perils Deductible	\$1,000
	Wind/Hail Deductible	3%
	Catastrophic Ground Cover Collapse	Included
	Sinkhole Deductible	10%

Misc. Outdoor Property	Limits
PLAYGROUND EQUIPMENT - COMBUSTIBLE	\$100,000
PLAYGROUND EQUIPMENT - COMBUSTIBLE	\$100,000

Property Coverage - Ordinance or Law



The Undamaged Building



Demolition



Increased Cost to Repair

General Liability Limits

➤ Limits / Sublimits

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

LIMITS OF INSURANCE:

GENERAL AGGREGATE LIMIT (OTHER THAN PRODUCTS-COMPLETED OPERATIONS)		\$2,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT		\$2,000,000
PERSONAL & ADVERTISING INJURY LIMIT		\$1,000,000
EACH OCCURRENCE LIMIT		\$1,000,000
FIRE DAMAGE LIMIT	Any One Fire	\$100,000
MEDICAL EXPENSE LIMIT	Any One Person	\$5,000

PREMIUM:

Classification	Code No.	Premium Basis	Rate	
			Pr/Co	All Other
Day Care Center OTNFP	41715	118	0	30
GL BA 0407 (03/16) - SEXUAL ABUSE OR MOLESTATION LIMITED LIABILITY COVERAGE (\$100,000/\$100,000)	44444	1	0	325
GL BA 0408 (03/16) - ASSAULT OR BATTERY LIMITED LIABILITY COVERAGE (\$50,000/\$50,000)	44444	1	0	225

General Liability - Exposure Schedules

LOCATION OF PREMISES

Location of All Premises You Own, Rent or Occupy:

PREMIUM

Location	Classification	Code No.	Exposure
1	Parks and Playgrounds	46671	1
1	Schools - private - elementary, kindergarten or junior high - Not-For-Profit only	47476	73
1	Animals - saddle - private	40047	2
1	Swimming Pools - Not Otherwise Classified	48925	1
1	Day Care Centers (For-Profit)	41715	77
1	Schools - faculty liability for corporal punishment of students	47469	13
1	Camps - For-Profit - including Products and/or Completed Operations; Products/Completed Operations are subject to the General Aggregate Limit	41421	2,000

General Liability - Hired/Non-Owned Auto Coverage

HIRED AUTO AND NON-OWNED AUTO LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Insurance is provided only with respect to those coverages for which a specific premium charge is shown:

Coverage	Additional Premium
Hired Auto Liability and Non-Owned Auto Liability	\$ 197

Student Accident

➤ Student Accident (Medical Expense)

COMMERCIAL GENERAL LIABILITY
CG 22 40 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – MEDICAL PAYMENTS TO CHILDREN DAY CARE CENTERS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to paragraph 2., Exclusions of Coverage C – MEDICAL PAYMENTS (Section I – Coverages):

We will not pay expenses for "bodily injury" to any child enrolled in a day care center.

Student Accident Cont.



PHILADELPHIA
INSURANCE COMPANIES

A Member of the Tokio Marine Group

Philadelphia Indemnity Insurance Company

Administrative Office
One Bala Plaza, Suite 100, Bala Cynwyd, PA 19004
Tel: 800-873-4552

To present inquiries or obtain information about coverage and to provide assistance in resolving complaints,
please call 1-800-734-9326.

APPLICATION FOR BLANKET ACCIDENT INSURANCE

Accidental Death and Accident Medical Benefits

- Plan Types
 - Primary Plan
 - Full Excess Plan
- Limits

➤ \$25,000 / \$50,000 / \$100,000

Professional Liability

➤ Professional Liability

k. Professional Services

"Bodily injury" arising directly or indirectly out of:

(1) Any action, omission, rendering or failure to render "Professional Services" by anyone; or

(2) The negligent:

(a) Screening;

(b) Employment;

(c) Use as a volunteer, "volunteer worker", "temporary worker", "leased worker", independent contractor, or subcontractor;

(d) Retention;

(e) Investigation;

(f) Supervision; or

(g) Reporting to the proper authorities, or failure to so report;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph k.(1). above.

This is an absolute exclusion and shall apply regardless of the legal form any allegation, claim or "suit" may take. We have no obligation to defend, pay on behalf of, indemnify or incur any cost or expense for any insured or any other person or organization seeking coverage under this insurance for that portion of any claim arising out of any "professional services".

Professional Liability - Common Claims



- Negligent Supervision
 - Field Trips / Transportation Supervision
 - Classroom Supervision
- Failure to Educate
- Failure to Provide Proper Employee Training

Professional Liability Cont.

DECLARATIONS PAGE
DAY CARE ORGANIZATION PROFESSIONAL LIABILITY
VICARIOUS LIABILITY COVERAGE FORM

PLEASE READ THIS POLICY CAREFULLY.

LIMIT OF INSURANCE		
AGGREGATE LIMIT	\$	3,000,000
EACH PROFESSIONAL INCIDENT LIMIT	\$	1,000,000

Abuse / Molestation

➤ Abuse / Molestation Liability

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2. Exclusions of SECTION I – COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY and Paragraph 2. Exclusions of SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY:

This insurance does not apply to any injury sustained by any person arising out of or resulting from the alleged, actual or threatened abuse or molestation by anyone.

We shall not have any duty to defend any "suit" against any insured seeking damages on account of any such injury.

Abuse / Molestation Cont.

POLICY DECLARATIONS PAGE
SEXUAL OR PHYSICAL ABUSE OR MOLESTATION
VICARIOUS LIABILITY COVERAGE FORM

PLEASE READ THIS POLICY CAREFULLY.

LIMIT OF INSURANCE		
AGGREGATE LIMIT	\$	3,000,000
EACH ABUSIVE CONDUCT LIMIT	\$	1,000,000

Employment Related Practices

➤ Employment Related Practices

COMMERCIAL GENERAL LIABILITY
CG 21 47 12 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2.,
Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment;
or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

Employment Related Practices- Common Claims



- Wrongful Termination
- Sexual Harassment
- Employment Discrimination
- Failure to Hire or Promote
- Invasion of Employee Privacy

Excess (Umbrella Coverage)

SCHEDULE OF UNDERLYING INSURANCE		
Employers' Liability		
Company: _____		
Policy Number: _____		
Policy Period: _____		
Minimum Applicable Limits		
Bodily injury by accident	\$ _____	Each Accident
Bodily injury by disease	\$ _____	Each Employee
Bodily injury by disease	\$ _____	Policy Limit
Commercial General Liability <input checked="" type="checkbox"/> Occurrence <input type="checkbox"/> Claims-Made		
Company: <u>Philadelphia Indemnity Insurance Company</u>		
Policy Number: _____		
Policy Period: _____		
Retroactive Date: <u>Not Applicable</u>		
Minimum Applicable Limits:		
General Aggregate	\$ _____	<u>3,000,000</u>
Products-Completed Operations Aggregate	\$ _____	<u>3,000,000</u>
Personal And Advertising Injury	\$ _____	<u>1,000,000</u>
Each Occurrence	\$ _____	<u>1,000,000</u>
Commercial Auto Liability		
Company: <u>Philadelphia Indemnity Insurance Company</u>		
Policy Number: _____		
Policy Period: _____		
Minimum Applicable Limits		
Garage Aggregate Limit For Other Than Autos (if applicable)	\$ _____	<u>Not Applicable</u>
Each Accident	\$ _____	<u>1,000,000</u>



Professional Liability <input checked="" type="checkbox"/> Occurrence		
Company: <u>Philadelphia Indemnity Insurance Company</u>		
Policy Number: _____		
Policy Period: _____		
Retroactive Date: <u>Not Applicable</u>		
Minimum Applicable Limits		
<u>Each Professional Incident</u>	\$ _____	<u>1,000,000</u>
<u>Aggregate</u>	\$ _____	<u>3,000,000</u>

Abusive Conduct Liability <input type="checkbox"/> Occurrence <input type="checkbox"/> Claims-Made		
Company: <u>Philadelphia Indemnity Insurance Company</u>		
Policy Number: _____		
Policy Period: _____		
Retroactive Date: _____		
Minimum Applicable Limits		
<u>Each Occurrence</u>	\$ _____	<u>1,000,000</u>
<u>Aggregate</u>	\$ _____	<u>3,000,000</u>

Workers Compensation Coverage

- FL WC Rates - 8869, 8868, 9101
- Rate Deviations
- Dividends



Audited Discounted Premium	Dividend as a Percentage of Premium							
	Incurred Loss Ratio							
	0%	≤ 5%	≤ 10%	≤ 15%	≤ 20%	≤ 25%	≤ 30%	≤ 35%
\$10,000 - \$19,999	9%	8%	7%	6%	6%	3%	1%	0%
\$20,000 - \$29,999	12%	11%	10%	9%	9%	5%	3%	0%
\$30,000 - \$39,999	16%	15%	14%	12%	12%	6%	4%	2%
\$40,000 - \$49,999	20%	18%	17%	15%	13%	7%	5%	3%
\$50,000 - \$74,999	25%	21%	19%	18%	15%	9%	6%	4%
\$75,000 - \$99,999	27%	23%	20%	19%	17%	12%	9%	5%
\$100,000 - \$149,999	35%	28%	24%	21%	18%	14%	9%	5%
\$150,000 - \$199,999	38%	30%	26%	23%	20%	15%	11%	6%
Over \$200,000	40%	34%	29%	24%	21%	16%	14%	8%

School / Child Care Facility Market Update

- Property
 - 5%-10% Increases
- General Liability / Commercial Auto
 - 5%-9% Increases
- Professional Liability / Abuse & Molestation
 - 5%-7% Increases
- Employment Practices
 - 5%-15% Increases
- Student Accident
 - Flat
- Excess Liability (Umbrella)
 - 5%-10% Increases
- Workers Compensation
 - ~4% Decrease

Questions?



Contact Info



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Specialist

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Contact Info



Get in Touch

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Email: sales@icaresoftware.com

A video thumbnail featuring two young children, a girl on the left and a boy on the right, looking towards the camera. The background is slightly blurred. Overlaid on the image is white text that reads: "Learn how childcare software can be an investment in growing and improving your bottom line." At the bottom of the thumbnail is an orange button with white text that says "Schedule 15 Minute Consultation".

Learn how childcare software can be an investment in growing and improving your bottom line.

[Schedule 15 Minute Consultation](#)