

## 28. School Insurance

All Insurance policies should be in the name of the Trustees / Patrons of the school. It may be necessary to name the Manager / Board of Management and the Trustees in the policies.

Insurance of the Plant against fire, lightning, aircraft and explosion, storm, burst pipes, floods, earthquake and impact is essential. Loss or damage from burglary and glass breakages is also insurable. The following list is a useful checklist when considering insurance cover:

- Buildings and Contents are required to be insured against fire, smoke, storm / tempest, bursting and escaping of water or oil, flood, impact, riot, civil commotion, vandalism, removal or attempted removal of contents
- Accidental damage to underground pipes
- Breakage of fixed glass and sanitary fittings
- Breakage or collapse of TV aerials
- Theft of lead or copper
- Loss of cash
- Loss of or damage to frozen goods
- Consequential Loss
- Sudden and unreasonable damage to low pressure hot water units
- Accidental damage to audio-visual equipment

The **Custodian School Protection Policy** is an amalgamation in one document of all the insurance covers which a school should prudently have.

The policy is divided into six sections:

1. Loss or damage to school property
2. Consequential Loss (i.e. financial loss resulting from damage covered by 1)
3. Loss or theft of money
4. Liability of the school to employees and other persons
5. Indemnity to the Management
6. Legal Expenses

### **1. Loss or Damage to School Property:**

**“If during the period of insurance school property is lost, stolen or accidentally or maliciously destroyed or damaged the insurance company will pay the amount of the loss or damage or at its option repair, reinstate or replace the property.”**

This section covers both **buildings and contents**.

#### **Buildings** include

- Land for which the school authorities is responsible including boundary walls, gates, paths, fences, lawns, trees and shrubs.
- Minor outbuildings, swimming pools, playing surfaces (except synthetic pitches) and shrines.
- Fixtures and fittings including fixed notice boards and signs, fixed external lighting and security equipment, television and radio aerials and dishes, tanks and services (including underground services).

#### **Contents** include

- All furniture, furnishings and apparatus and other property not included in buildings including audio-visual equipment, computer equipment, office equipment, musical instruments, trophies and fuel.
- Personal effects of students, employees and visitors.

**N.B. Check policy details for EXCLUSIONS. For example, an IT threat (such as a computer virus attack) is NOT covered; similarly loss, destruction or damage to gates, fences, lawns, trees, shrubs or moveable property caused by storm, flood or malicious damage is NOT covered.**

In checking the school's insurance policy, care should be taken to accurately describe the property especially where there is more than one building involved with each building showing an adequate sum insured. If it has not been done for some time, a **professional valuation of school property** is desirable. It is the only way of ensuring that the sum insured, for which the Board of Management is responsible, is adequate. The **sum insured** is critical as it is the maximum liability of the insurer in the event of loss. The sum insured on the building is the full cost of rebuilding while the sum insured on contents represents the cost of replacement in the event of total destruction.

### **Specific Issues:**

- The property and personal effects of teachers and students are covered by the policy where loss or damage occurs as a result of loss or damage to the building. However, in respect of theft there must be evidence of forcible and violent entry to or exit from the building. This means that property lost or mislaid or in the open (e.g. bicycles in an unlocked shed) is not covered.
- It is very common for teachers, other staff and students to park their cars in school grounds. The Board of Management may make spaces available but they do not undertake the safety or security of the vehicles. Cars are parked on school grounds at the owner's risk. It is recommended that a disclaimer notice be affixed to the wall to the effect that the Board of Management does not accept liability for loss or damage to cars parked in school grounds.
- The Custodian School Protection Policy covers loss or damage to low pressure central heating systems including pipes and radiators. Plant and equipment such as lifts or any high pressure equipment must, by law, be inspected and are only covered by insurance if a certificate of compliance is held. To safeguard heating systems, adequate frost protection measures should be taken.

## **2. Consequential Loss**

**Consequential loss means that the insurance company will cover financial loss resulting from damage covered in 1 above.**

If as a result of loss or damage to any of the buildings normal duties and activities cannot be carried on, increased costs such as the hiring of alternative premises or obtaining temporary classrooms may accrue leading to a loss of revenue. The school's policy protects against such financial loss suffered by the Board of Management during this period of interference or interruption. The financial loss suffered is limited to 15% of the sum insured on the building.

In the event of damage to a school, 15% is normally adequate if the school has access to enough land to erect temporary accommodation.

Loss of school fees and loss of revenue from the hire of school buildings are also covered under this section.

### 3. Loss or Theft of Money

This section covers the loss of money belonging to or in the care of the school up to particular limits. The principal limits in the policy are:

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|---|----------|
| • Crossed cheques / money orders                | €320,000 |
| • In a locked safe or during school hours       | €6,350   |
| • Outside school hours and not in a locked safe | €320     |
| • In transit or a bank night safe               | €6,350   |
| • Financial loss due to misuse of a credit card | €3,200   |

All schools should have the use of a solid, secure, fixed safe in which all money and valuable documents are stored.

### 4. Liability of the School to Employees and Other Persons

This section covers the legal liability of the Board of Management under two headings

- Employers' Liability
- Public Liability

**Employers' liability** insurance indemnifies the Board of Management in respect of its legal liability to employees – teaching staff, secretaries, caretakers, cleaners, supervisors etc. – arising out of and in the course of their employment. If an employee is deemed to have been injured as a result of the negligence of the Board of Management, any legal costs and expenses and damages awarded by a court are covered. The Board of Management may become legally liable if an employee suffers injury as a result of the Board of Management's failure to take reasonable care in the provision of a safe place of work, in failing to provide suitable and safe equipment, or in failing to provide a safe system of work. The Board may also be liable where one employee is injured as the result of negligence of another employee.

**Public liability** insurance indemnifies the Board of Management in respect of its legal liability for accidents to persons, other than employees, or damage to their property. Public Liability insurance relates to accidents to students or other members of the public occurring

- On or about the school premises.
- Away from the school premises and engaged in a school-related activity.

**A school related activity is “any activity usual to a school and which is carried out with the full knowledge and authority of and under the control of the Board of Management or any other person specifically authorised by them”.**

Legal liability can attach to the Board of Management as a result of accidents arising from:

- Defects in the school premises, furniture, equipment or other property.
- Failure to exercise adequate supervision over students.
- Failure to take reasonable care to avoid accidents to students or members of the public.
- Failure to ensure that goods supplied, including food and drink consumed on the premises are fit for the purpose for which they are intended.

If a student or other person is deemed to have been injured as a result of the negligence of the Board of Management, the Board is protected in respect of their legal liability to pay legal costs and expenses and damages arising from such injury.

The policy indemnifies the Trustees / Patron and Board of Management in relation to their legal liability to all persons including children, parents, teachers, all other employees and visitors to the school.

**Negligence** is defined in law as “**the omission to do something which a reasonable person would do or doing something which a reasonable person would not do**”. The “reasonable person” is defined as “the ordinary person in the street”. In effect this means that we all owe a “duty of care” to ensure that all our actions are reasonable.

**Duty of care** means that we have a legal responsibility which requires that what we do (or not do) must be reasonable and causes neither injury nor damage. A school has a duty of care to

- Ensure that the premises, grounds, furniture and equipment are safe and free from any defect likely to cause injury or damage,
- Take such care of the students as a sensible, careful parent would take if placed in circumstances similar to those which pertain in a school (“in loco parentis”).

Failure to take the required duty of care resulting in injury or damage may render the school and/or Board of Management legally liable to pay for damage and costs.

For **groups or persons using the school outside normal school hours**, the Board of Management is protected under the policy in respect of its legal liability. Claims usually arise in respect of defects in the premises. The group or persons using the school can incur their own liabilities arising out of **their** activities and should therefore have their own insurance to cover such liabilities. **(See Section 27)**

In the case of a Parents’ Association / Council the school’s policy may be extended, at the request of the Board of Management, to cover the Association’s legal liability for **damages and legal costs** arising out of a school related activity which has been approved in writing by the Board.

## 5. Indemnity to Management

This section of the policy covers the legal liability of the Board of Management only. It deals with two issues:

- **Professional Indemnity** which covers the Board against actual or alleged acts, errors or omissions, breach of duty, trust or confidentiality, libel or slander committed in good faith.
- **Fidelity Guarantee** which provides cover against the dishonesty of an employee, member of the Board, or other person acting on its behalf in the embezzlement of money or property.

The Board of Management is covered for any legal liability arising from the wrongful actions of staff or employees, but the individual staff member or employee is not.

## 6. Legal Expenses

Under previous sections, the Board of Management is covered for legal costs incurred in the **defence** of legal actions against the Board. This section covers the Board of Management for legal expenses incurred when a legal action is **pursued by the Board** in certain circumstances.

A claim under this section will only be accepted if it “offers reasonable prospects for success” and only if the Board has sought the approval of the insurance company **before** incurring the legal costs.

Under this section the type of legal costs covered are

- Legal costs incurred in relation to:
  - **Pursuit** of legal proceedings where there is dispute between the school and any of its employees.
  - **Pursuit** of legal proceedings where there is a dispute between the school and any student, past student, prospective student or their parent / guardian.
- Legal costs incurred in relation to **pursuit** or **defence** of legal proceedings in relation to:
  - A dispute in relation to a contract for the sale, purchase or hire of goods or services.
  - Damage caused to the school or any infringements of the legal rights of the school in relation to their ownership or occupation of the property.
- Legal costs incurred in any inquiry or investigation which may result in a claim under the policy.

## Other School Insurance Issues

- **Health and Safety Issues:**
  - Emphasis on **safety** can directly affect the avoidance of claims
  - Develop a school **Safety Awareness Programme**
  - Ensure that the school has an up to date **Safety Statement**
  - Keep an accident book and record **ALL** incidents, however trivial
  - Be aware of the school's **Duty of Care** to all students, employees and visitors to the school
  
- **Teachers**
  - **Supervision** and the teacher's duty of care
  - Teachers carrying **students in their own cars** (See Page 47)
  - Teachers using their **cars on school business** (See Page 47)
  - Teachers arranging **Work Experience** for students
  - School **trips and tours**
  - Training in **First Aid**
  
- **Fire Safety**
  
- **School Security**
  - **Physical security** such as fencing, locks, strong room and safe
  - **Electronic security** such as burglar alarms, sensors and CCTV
  - **Management issues** such as graffiti removal, storage of equipment, locking of doors and windows
  
- **Personal Accident Insurance**

While there is no legal obligation on a Board of Management to provide Personal Accident Insurance, it is in the school's interest to encourage students to take out such cover which is relatively inexpensive.

## Use of Teachers' Cars for School Business

Liability for passengers in a car in any capacity is a matter solely for the teacher's motor insurance. However, any liability which attaches to the Board of Management in the event that the teacher's insurance should prove defective, should be covered by the Custodian School Protection Policy.

Like any individual they are free to arrange their motor insurance with whatever insurer they wish. However, teachers may be in a position where they need to carry students to sports events or to hospital in an emergency for example. In order to include the carrying of students and school equipment, teachers are advised to extend the Class 1 usage of the vehicle (for Social, Domestic and Pleasure usage) to include **“and by the insured in person for his/her business.”** There should be **NO** additional premium required by insurers for this addition.

The teacher's motor insurance will cover any liability arising out of the use of the car. If comprehensive cover has been arranged then it will also cover damage to the teacher's car. There will however be an **excess** and the possible loss of a **No Claim Bonus / Discount**. The school's Custodian Policy has been extended to include such financial loss by the teacher in the event of involvement in an accident while using the car on behalf of the school. Even where the teacher's policy is not comprehensive, the school's Custodian Policy should cover damage to the teacher's car in the event of an accident while using the car on behalf of the school.

**N.B. The contents of this section on School Insurance are based on the Guide to Insurance produced by Allianz Church and General and represent a summary of the main points of interest. For detailed guidelines or clarification, the school authorities are advised to contact Allianz directly.**