

Plastridge Insurance School & Child Care Facility Quarter 3 2021 Insurance Update

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POST PANDEMIC INSURANCE IMPLICATIONS - COMMON QUESTIONS

As we transition to a post-pandemic world there are certainly going to be some changes in the way that schools and child care facilities operate. Below are some of the questions I am getting most frequently regarding COVID and school / child care facilities!

Q: Will we see changes in our liability policies?

A: This is something that we have been discussing with underwriters since the pandemic began. After the SARS outbreak numerous carriers began including "Pandemic / Virus Related" or "Communicable Disease" exclusions in their policies. Carriers all operate independently and each policy is different, but we are certainly seeing an increase in the number of carriers that are including this type of language in their policies.

Q: Will coverage be available in the future?

A: This is a challenging question due to the extent of potential loss. The pandemic related lost revenue estimates are around \$255B per month. This is an extremely large number that a carrier or government pool program would need to be capable of handling if a similar event occurred in the future. We are constantly keeping our clients updated with regards to what is available in the market.

Q: Should we adjust our policies based on attendance?

A: Carriers have been very receptive with regards to adjusting policies based on current attendance. This has resulted in meaningful premium relief for our clients during this time but we strongly encourage everyone to stay on top of this as attendance continues to climb.

Ask About Our Complete Insurance Program Review:

- Property
- Flood
- General Liability
- Professional Liability
- Abuse/Molestation
- Employment Practices
- Student Accident
- Commercial Auto
- Excess/Umbrella
- Workers Compensation

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COMMON COVERAGE ISSUES - UMBRELLA LIABILITY

One of the issues that I see most frequently in reviewing a new school or child care facility's insurance program is found in the umbrella liability policy. The umbrella policy is designed to be an "additional coverage layer" should you experience a claim that exceeds your underlying policy limits.

Every umbrella policy includes a "Schedule of Underlying Policies". This is where the carrier lists each policy that they are agreeable to providing the "additional coverage layer" over.

This schedule becomes crucial if you experience a claim that involves the umbrella policy. I have reviewed countless umbrella policies that were missing underlying policies on the schedule (professional liability, abuse liability, workers compensation etc.). The last position any owner wants to be in is one in which you are discovering that your professional liability policy is not listed on your umbrella's schedule of underlying insurance **after** you are looking at a seven figure negligent supervision or abuse claim!

I encourage everyone to review this in their current program as most carriers will add these policies to their underlying schedule. Carriers will often not even charge an additional premium for this.



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