



Private School Student Accident Program \$10,000 Comparison Sheet

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2009 - 2010 Year

Feature / Service	Educator Resources Association Plan	Other Plan
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Quality of Coverage

(1) What Type of Rating does the Carrier Have?	AM Best: "A" Excellent Duff & Phelps: "A" Claims Paying Ability	_____
(2) What is the Total Medical Maximum Limit?	\$10,000	_____
(3) Accidental Death & Dismemberment (AD&D) Limits?	\$5,000	_____
(4) Any Deductible that Parents Must First Meet?	NO	_____
(5) Summer School Coverage Included at No Extra Charge?	YES	_____
(6) Association Rates: <i>Guarantees & Group Purchase Power?</i>	YES	_____
(7) What is the Payment Schedule of Benefits?	Usual & Customary	_____

Exclusions and Limitations

(8) Auto Accident Limitation / Reduction in Benefits?	NO / NO	_____
(9) Dental Benefit Limitations?	Full Coverage of Injury to Sound Natural Teeth Only	_____
(10) Other Unique Exclusions?	NO	_____

Administration and Service

(11) Dedicated Claims Representative / Toll Free Number?	YES / YES	_____
(12) Does a Dedicated Specialist Pay Claims?	YES	_____
(13) Are Annual Audits Performed?	NO	_____

Rate Comparison

It is very important to determine how Student Accident Coverage fits into your Risk Management Program. Plans that include modest deductibles, or coverage limitations, in order to reduce premiums may not adequately reduce your liability exposure. More costly plans that incorporate sports coverage for all students automatically may result in unnecessary costs if a school does not participate in interscholastic sports. Always perform a complete analysis first.

For the *Educator Resources Association Plan Rates*, please see the rate sheet insert to determine which plan option you wish to compare.

Daycare Rates	_____	_____
K-8 Students	_____	_____
9-12 Students	_____	_____
Football Rates	_____	_____

\$10,000 Comparison Sheet

- (1) **Carrier Ratings**

A.M. Best Company - A.M. Best company rates insurance carriers based upon their financial strength and their ability to meet the obligations to policyholders.

Duff & Phelps - Duff & Phelps company rates the ability of insurance companies to meet their claim obligations and their obligations to serve debt.
- (2) **Medical Maximums**

Medical Maximums are the per injury policy (dollar) limits which a carrier will pay. It is extremely important to analyze your school's risk/liability tolerance for medical maximums. For only a few dollars per student, schools can often increase their limits to cover most any potential large claim. While \$10,000 and \$25,000 plans provide solid coverage, it is wiser to choose a plan with larger policy limits. Medical Maximums are a key factor in determining Risk Management.
- (3) **AD&D Limits**

Accidental Death and Dismemberment limits apply when a covered student's injury results in loss of: (1) life or (2) a limb (*i.e. hand, foot, or eye*). Coverage amounts tend to vary greatly. Therefore, administrators should pay careful attention to the AD&D limits of a policy.
- (4) **Deductibles**

Generally, deductibles are not recommended for student accident coverage. While it is true that having a deductible can lower the premium, in actuality, the cost savings are minimal. In most cases, the deductibles only frustrate parents. For example, with minor accidents, a parent's only out-of-pocket costs may be the doctor's office co-pay. The co-pay is almost always less than the deductible; thus the parents receive no benefit.
- (5) **Summer School**

Most Student Accident Plans on the market today do not provide coverage for students during summer school sessions. If coverage is available, inquire if additional premium is required.
- (6) **Association Rates**

Group purchasing power helps to guarantee the stability of a "block of business" because the risk is spread out over so many students. Since insurance companies tend to manage a block of business, belonging to an association plan can provide advantages like these: rate guarantees, fewer claims problems and administrative work, fewer restrictions, and better service. We highly recommend coverage which has earned the endorsement of a national school association.
- (7) **Payment Schedule**

There are two primary ways that benefits are paid:

(1) U&C – "Usual & Customary and Reasonable" benefits are determined by the usual or customary costs for medical services in your local area. Generally, this option is the most desirable. Watch for plans that are purely "Usual & Reasonable". Benefits for these plans are most often based upon a relative values study that sets charges for medical services at a fixed rate for the country. Generally, this is not desirable.

(2) *Fixed Schedule* – Under a fixed schedule, there is a list of dollar limits that a company will pay for each listed medical service or supply. Unless the schedule is very generous, this is also generally not desirable.
- (8) **Auto Limitations**

Auto limitations are commonly used by insurance companies to limit their exposure when an accident occurs involving a motorized vehicle. Limitations often substantially reduce the medical maximum limits. Plans that include auto limits should be thoroughly reviewed and considered before accepted.
- (9) **Dental Benefits**

Many Student Accident plans provide dental benefits for injured natural teeth (*I.e.: fillings, braces, etc... are not covered*). Watch out for plans that cap dental benefits at a fixed dollar amount or exclude them altogether.
- (10) **Unique Exclusions**

All plans have certain common exclusions or limitations. Review plans that have "Unique" exclusions such as: Osgood-Schlatter Disease, HMO-PPO benefit reductions, 26 week incurred periods, etc...
- (11) **Claims Representative**

Few Student Accident Plans have a dedicated claims representative who can personally handle parents' needs and questions.
- (12) **Claims**

It is important to know whether claims are handled directly with the insurance carrier or through a TPA (Third Party Administrator). Most schools find it desirable to have parents deal directly with the insurance carrier. Eliminating middlemen saves time and delays in processing large claims.
- (13) **Audits**

Audits are common with Property & Casualty carriers. An audit requires a school to confirm exactly how many students are enrolled and to pay additional premium if enrollment has changed.