

Student Accident

Protecting Our Most Valuable Resource...Our Children



To All School Administrators and Risk Managers:

Overview of Student Accident Coverage

In its simplest definition:

Student Accident Insurance is a "Zero-cost solution private schools use to transfer the (1) **Risk** and (2) **Administrative Burden** associated with student injuries and accidents from themselves to an insurance company."

1. Why every school should have Student Accident Coverage.

Why? The answer is really quite simple.... Protecting the health and welfare of students is a challenge that educators and administrators face daily. Student Accident Coverage absorbs the "**costs**" and "**administrative burden**" associated with school-time student injuries that would otherwise be your responsibility.

Student Accident Coverage by **its very nature** is designed to:

- Help insulate schools from lawsuits, unhappy parents and burdensome administration
- Reduce the number of claims against a school's Property & Casualty policy (which can also reduce premiums)
- Provide financial assistance to parents and students by covering students who lack major medical coverage and items that may not be covered under parents' major medical (co-pays, deductibles, catastrophic medical maximums, out of managed care network penalties, etc.) if a child is hurt while playing at recess, gym class, school sponsored-sports, or even on the bus.

For years, Student Accident Coverage has been utilized by colleges and in public school systems. Successful risk managers know that Student Accident Coverage is an important part of any risk management strategy because it serves as a cost-effective way to diminish the liability a school has in its day-to-day operations.

Student Accident / Educator Resources
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2. What is the Benefit for parents and students? School administrators?

Mandatory coverage for all eligible students provides extraordinary benefits to both parents/students and the participating institution.

Parents and students benefit from:

- Financial assistance to cover co-pays, deductibles, etc.
- Reasonable rates - as little as a quarter a week.
- The peace of mind in knowing those financial obligations will be paid in the event of an accident.

Schools benefit since:

- Coverage generates good will for your institution by avoiding an adversarial role in the process.
- The school can offer a comprehensive program **without the costs** to implement the plan (premiums can be transferred to parents simply as part of tuition or as a line item on school registration fees).
- The insurance company handles the entire claims process from start to finish.
- The insurance pays actual expenses incurred and pays regardless of fault.
- The school is assured better student retention figures and protection from attrition.
- Guaranteed equal access to medical care for all students is guaranteed.
- Reduced litigation for on-campus accidents or accidents occurring during school activities.
- Reduces stress for administrators.
- The school avoids the awkwardness involved in having to ask if the student's parents have medical insurance.
- The school is pro-active in implementing its risk management initiatives with regard to its property and casualty insurance program **often resulting in lower premiums!**

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3. Saving \$\$\$ on your school's current General Liability (GL) Policy

A comprehensive Student Accident program may make a school eligible for premium discounts on basic general liability policies.

Most property and casualty insurance carriers reward institutions that have a risk transfer program for Student Accident Coverage because they know the number of claims reported on the general liability policy will be reduced. Discounts will vary but are based on programs characterized by:

- Experienced carrier with specialty focus & are "A" rated by A.M. Best
- Appropriate limits, large medical maximums (generally \$1 or \$5 million)
- Organized, efficient claims handling process with no deductible
- Timely and accurate reporting ability to monitor performance of plan
- Mandatory enrollment

The manner in which you request the discount from your current property and casualty carrier can make all the difference in whether you receive the discount. Our Legal Counsel can show you how.

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4. What are the Costs associated with student injuries?

- Unplanned out-of-pocket costs to school for medical expenses.
- Increased administrative burden on school to file and settle a claim.
- Unexpected expenses for parents.
- Disenchanted parents due to unexpected expense and school's handling of situation.
- Parents may have to bring suit against the school (and/or the school board) in order to pursue indemnification.
- Student injury disrupts regular school agenda.
- Discussions with parents and providers are adversarial unless you pay the claim.
- Student withdraws due to unplanned medical expenses.
- School loses the tuition revenue from withdrawn student.
- Parents send brothers and sisters elsewhere due to this experience.
- Medical providers call the school looking for payment of medical bills.
- Fundraising from alumni, parents and local community potentially suffers.
- Potentially increase Property and Casualty premiums.

Exaggeration? Not really! This is the real, long-term potential of a student injury risk management strategy that does not fully integrate loss control, General Liability and Student Accident Insurance coverages. Appropriately, private schools are increasingly looking at the lifetime value of each student and parent as a customer or client. A big picture, long-term view of student injury potential is necessary to maximize this value.

More common types of claims submitted from educational institutions are:

Sports or athletic injuries are one of the most frequently reported accidents. According to the American Academy of Orthopedic Surgeons, "each year, more than 775,000 children under the age of 15 are treated in hospital emergency rooms in the United States for sports injuries. Some of these injuries are minor, some serious, and still others result in lifelong medical problems". Knees and shoulders appear to be the most prone to injury and, depending on the severity of the damage, claims can run anywhere from \$5,000 to \$20,000. Whether a student is injured after school on the playground, in gym class, or while participating in an organized, school-sponsored event, the institution may be held responsible for this amount.

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Schools without a Student Accident plan only have two options: (1) pay for expenses out of pocket, or (2) risk significant rate increases on its property and casualty insurance.

5. Where and Why do student injuries occur?

Through our team and family of insurers we have insured youth and recreation facilities for over 60 years. Educator Resources has extensive information about where student injuries occur.

To help you properly manage this risk, you must be familiar with where the exposure for injury is greatest. This should include an analysis of both the frequency and severity of injuries. In our experience, the most frequent causes of loss in youth and recreation facilities are as follows:

Rank	Cause of Loss
1	Slips/Trips and Falls
2	Playgrounds
3	Fighting and Horseplay
4	Organized Sports and Clubs
5	Vehicular
6	Animal Related (like dog bites, bee stings, etc.)
7	Other (like burns, food poisoning, etc.)
8	Abuse and Neglect

The causes of loss ranked #1 and #2 above cause the majority of injuries. In fact, it should be noted that Slips/Trips and Falls are three times as likely as virtually all other causes of loss combined. Student Slips/Trips and Falls double for resident schools, as many of these injuries occur around the living quarters (including wet areas) that don't exist in day schools. The second most common place of injury is where food is served. All other areas, including outdoor grounds, account for the balance of injuries. Playground equipment, especially equipment with inadequate fall protection

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underneath, and miscellaneous playground injuries are the second most frequent cause for injury. Frequency of sports injuries grows materially when football is included.

In terms of severity (average size of loss), the ranking looks as follows:

Rank	Cause of Loss
1	Organized Sports and Clubs
2	Other (like burns, food poisoning, etc.)
3	Playgrounds
4	Slips/Trips and Falls
5	Fighting and Horseplay
6	Animal Related (like dog bites, bee stings, etc.)
7	Vehicular
8	Abuse and Neglect

The average loss size for sports injuries is at least three times greater than for the "Other" category ranked number 2. Burns and lacerations to individuals from classroom work (wood/metal working, cooking, chemistry, etc.) and multiple cases of food poisoning from single occurrences drive the size of the "Other" category. All other causes are not materially different from one another with regards to severity and are insignificant relative to the first two.

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