



PROTECTING YOUR INTERNATIONAL SCHOOL'S MOST IMPORTANT ASSETS

How to protect administrators, teachers, & staff members from risk

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The parents had complained numerous times about the instructor. His teaching methods were unconventional, and he showed a reckless disregard for the pupils' welfare. In one particular incident, he had abandoned the pupils during a class trip, opting instead to peruse the local market. He claimed it helped the pupils "build character." Ultimately, it was in the best interest of your school and pupils to terminate the instructor's tenure. You would have preferred not to have done so, but you were left with little choice.

So why have you just been presented with a lawsuit filed by the instructor, claiming wrongful termination? And worse, why have you been personally named in the lawsuit?

Although Directors and Officers' liability insurance offers important protection for international schools, it is often overlooked. While many international school administrators understand the importance of protecting assets such as property and contents, many fail to secure protection for teachers and staff members. Thus, the assets of the teachers and staff members, as well as the school's, are at risk.

The number of law suits against schools continues to rise, and administrators are finding themselves caught in the fray. Today, school directors, officers, past and present board members, and even teachers are exposed to various risks associated with the operation and instruction of the

international community. These risks can lead to lawsuits involving wrongful termination, wrongful student-related practices, wrongful educational instruction, sexual harassment, loss of academic accreditation, and more. To make matters worse, administrators and teachers can be cited individually

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in resulting lawsuits, thus placing their personal assets at risk.

Lawsuits can cost schools, their administrators, and other staff members (including teachers) up to millions of dollars in defense fees and settlement awards. Schools are strongly encouraged to secure comprehensive insurance coverage to ensure that all parties are adequately protected against unexpected litigious actions.

When investigating insurance protection options such as Directors and Officer's liability coverage for your international school entity, there are some key questions to ask, such as:

Who is insured (covered) under the policy?

Typically, the "school entity" is covered, which includes school employees such as faculty members, student teachers, volunteers and others acting for or on behalf of the school. In addition, directors, other administrators, past and present members of the board of trustees would be covered under a protection policy. Thus, a previous board member whose policies cause a current staff member to bring a lawsuit forward would be protected.

What are the policy limit(s), policy term(s), and premium?

The policy limit can vary, depending on the needs of your school and the appropriate level of coverage. In addition, factors such as the school's size and annual revenue also affect the policy limit. The premium will typically be calculated based on the policy limit and other factors, such as student and faculty population, the school's location, and other risks. Other factors affecting the premium amount include the implementation of adequate by-laws, the availability of an Employee Handbook, and the school's finances. A general policy lasts one year, and the school can choose to renew it annually.

What is typically covered?

Although policies will vary according to each international school's unique needs, most will typically provide similar coverage, including employment practices claims, educator's errors and omissions claims, and

administrative errors and omissions claims. These claims typically encompass discrimination allegations and breach of fiduciary duties, particularly with regards to employee pension plans. In addition, Professional Liability insurance (which includes Directors and Officers' Liability) pays for defense costs and legal expenses resulting from claims alleging failure to maintain insurance. The defense costs and legal expenses for covered claims are included in addition to the limits of liability.

What is not covered?

Although the wording may vary from policy to policy, most will not cover criminal acts, dishonesty, fraud, a violation of a civil right, or other acts as specifically outlined. Some policies will also specify involvement in pollutants and other harmful environmental items (including asbestos) as exclusions to coverage. The policy may also specify that coverage is provided for defense of the Insured, but asserts that the insurance company has no obligation to pay for damages awarded. It should be noted that this is just a sample list of exclusions, and exclusions specified in the policy may differ. In addition, if the allegations made

against the school entity prove to be false, then the school may be reimbursed. Check your policy to understand the specific guidelines.

What additional coverages are suggested?

Schools seeking additional coverages can discuss possible options with their international insurance provider. Some specialty coverages can include, for example, protection during events, such as fundraisers, theater productions, competitions, or conferences held on school premises. Additional specialty coverages can include Kidnap & Ransom insurance as well coverage for Expropriation and Nationalization of Assets, which will take place in the event a country's government seizes the school and its assets. In addition to Directors' & Officer's Liability, Employment Practices Liability protection is recommended. Such coverage will provide protection for schools in the event of sexual harassment litigation, wrongful termination and discrimination. Make sure you ask your trusted international insurance provider for information on additional coverages your school might require.

While it is paramount for schools to insure their property and contents against loss, it is also sound advice to secure protection for their teachers and administrators as well. Securing Directors and Officers' Liability, as well as other insurance protection plans, will help ensure that litigious actions against the school will not place the personal assets of individual school administrators, teachers, and other staff members at unnecessary risk. Examine your options carefully, and discuss the necessary level of protection needed to adequately protect your school and staff.



For over fifty years, Clements International has insured nearly 100 international schools, including their employees and families in global moves throughout the world. For more information on global insurance solutions, please contact Ms. Alina Belkova at +1.202.872.0060 or via email at abelkova@clements.com.