

Commercial Risk Summary – Educational Institutions



PRESCHOOLS

SIC CODE: 8351 Child Day Care Services

NAICS CODE: 62441 Child Day Care Services

Suggested ISO General Liability Code: 41715, 41716

Suggested Workers Compensation Code: 9059, 8869

Description of operations: Preschools are schools that specialize in the teaching of very young children to prepare for elementary school and provide day care services for working parents. These schools work with children who are not yet old enough for kindergarten.

Property exposure comes from equipment and wiring. All wiring should be up to code and circuit breakers and fuse boxes should not be able to be overridden. There is often a lot of paper and other items that would help spread fire. Most equipment is susceptible to fire and easily damaged. If cooking is done on premises, this activity increases the potential for fire loss.

Crime exposure is from Employee Dishonesty. All job duties, such as ordering, billing and disbursement should be separate and reconciled on a regular basis. Audits should be conducted at least annually.

Inland marine exposure is from Accounts Receivables, Computers and Valuable Papers (student records). Duplicates should be made of all data and those duplicates stored on premises. There may be mobile equipment that is taken between classrooms.

Premises liability exposure is extremely high when dealing with young children. What is the adult/child ratio? Are there regular evacuation drills? Is there a procedure for all emergencies and are instructors and aides trained to use them? Are all adults' references checked and a criminal background check run? Is the building locked with limited access to the area to prevent kidnapping and children escaping? A careful evaluation is needed of the delivery and pickup or release of the child to adults. Playground equipment and exposures are critical, and the safety and protection of the children are critical.

Abuse and molestation exposure must be considered when supervision of children is involved. There is never coverage for the abuser. While there is some coverage for the institution where the abuse takes place, it is very restricted. More complete coverage should be purchased for the institution through specialized markets. The institution has a responsibility to take all care possible to protect students from predatory adults and older students through background checks, monitoring and supervision and reporting all allegations of abuse to the proper authorities. The more vulnerable the potential victim, the more vigilant the institution must be.

Automobile liability is a major concern and has a high potential for loss or injury if any transportation of students, faculty or visitors is performed. All drivers must have the appropriate license for transport of children. MVRs must be checked on a regular basis. Is there supervision on the vehicles during transport? All vehicles must be well maintained and the records kept at a central location.

Workers compensation exposure can be a concern from back injury, lifting, hernia, sprains and strains. The type of activities provided and the exposure to the social environment of the facility need review. Again, security is an issue.

Minimum recommended coverage:

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Building, Business Personal Property, Employee Dishonesty, Accounts Receivable, Computers, Mobile Equipment, Valuable Papers, General Liability, Employee Benefits, Umbrella, Business Auto Liability and Physical Damage, Hired and Nonownership Auto, Workers Compensation

Other coverages to consider:

Computer Fraud, Extortion, Employment Related Practices, Directors and Officers Liability

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Agent: The coverages listed below are suggested for consideration for educational operations. After evaluating each of the listed coverages, check the recommended blank by those that apply specifically to this client. Make sure both the exposure and the coverage are explained to the client.

Client: For each of the coverages that the agent has recommended, initial whether you have chosen to accept or reject that coverage in the blanks provided.

PROPERTY COVERAGES

	Recommend	Accept	Reject	Not Applicable
Building and Personal Property Coverage Form				
Building	_____	_____	_____	_____
Business Personal Property	_____	_____	_____	_____
Personal Property of Others	_____	_____	_____	_____
Improvements and Betterments	_____	_____	_____	_____
Building and Personal Property Coinsurance				
Percentages None 80% 90% 100%	_____	_____	_____	_____
Bldg ___ ___ ___ ___	_____	_____	_____	_____
BPP ___ ___ ___ ___	_____	_____	_____	_____
PPO ___ ___ ___ ___	_____	_____	_____	_____
I&B ___ ___ ___ ___	_____	_____	_____	_____
Alternatives to Coinsurance				
Agreed Value	_____	_____	_____	_____

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Functional Replacement Cost	_____	_____	_____	_____
Peak Season	_____	_____	_____	_____
Reporting Form	_____	_____	_____	_____
Other _____	_____	_____	_____	_____

Optional Property Coverage Forms

Builders Risk	_____	_____	_____	_____
Commercial or Manufacturers Output Policy	_____	_____	_____	_____
Condominium-Unit-owners Coverage	_____	_____	_____	_____
Equipment Breakdown	_____	_____	_____	_____
Legal Liability	_____	_____	_____	_____
Standard Property Policy	_____	_____	_____	_____

Optional Property Endorsements

Additional Debris Removal	_____	_____	_____	_____
Ordinance or Law	_____	_____	_____	_____
Outdoor Trees, Shrubs and Plants Enhancement	_____	_____	_____	_____
Replacement Cost Valuation	_____	_____	_____	_____
Spoilage	_____	_____	_____	_____
Utility Services-Direct Damage	_____	_____	_____	_____

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Other Property Options

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

TIME ELEMENT COVERAGES

	Recommend	Accept	Reject	Not Applicable
Business Income With Extra Expense Coinsurance Percentage ____	_____	_____	_____	_____
Business Income Without Extra Expense Coinsurance Percentage ____	_____	_____	_____	_____
Extra Expense	_____	_____	_____	_____
Leasehold Interest	_____	_____	_____	_____
Alternatives to Coinsurance	_____	_____	_____	_____
Agreed Value	_____	_____	_____	_____
Maximum Period of Indemnity	_____	_____	_____	_____
Monthly Limit of Indemnity	_____	_____	_____	_____
Premium Adjustment	_____	_____	_____	_____

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Optional Time Element Endorsements

Business Income from Dependent Properties	_____	_____	_____	_____
Business Income–Educational Institutions	_____	_____	_____	_____
Ordinance or Law Increased Period of Restoration	_____	_____	_____	_____
Utility Services	_____	_____	_____	_____

Other Time Element Coverages

	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____

PROPERTY AND TIME ELEMENT CAUSES OF LOSS

						Recommend	Accept	Reject	Not Applicable
	Bldg	BPP	PPO	BI	EE				
Basic	___	___	___	___	___	_____	_____	_____	_____
Broad	___	___	___	___	___	_____	_____	_____	_____
Special	___	___	___	___	___	_____	_____	_____	_____
Earthquake	___	___	___	___	___	_____	_____	_____	_____
Flood	___	___	___	___	___	_____	_____	_____	_____

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Other Cause of Loss Endorsements

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

INLAND MARINE COVERAGES

	Recommend	Accept	Reject	Not Applicable
Accounts Receivable	_____	_____	_____	_____
Bailees Customer	_____	_____	_____	_____
Broadcasting Tower/Equipment	_____	_____	_____	_____
Commercial Articles	_____	_____	_____	_____
Contractors Equipment	_____	_____	_____	_____
Difference In Conditions – DIC	_____	_____	_____	_____
Electronic Data Processing	_____	_____	_____	_____
Film	_____	_____	_____	_____
Fine Arts	_____	_____	_____	_____
Goods in Transit	_____	_____	_____	_____
Miscellaneous	_____	_____	_____	_____

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Signs (Neon and Electric)	_____	_____	_____	_____
Theatrical Property	_____	_____	_____	_____
Valuable Papers and Records	_____	_____	_____	_____

Other Inland Marine Coverages

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

CRIME COVERAGES

	Recommend	Accept	Reject	Not Applicable
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Money, Securities and Other Property

Employee Dishonesty	_____	_____	_____	_____
Including Customer's Goods	_____	_____	_____	_____
Computer Fraud	_____	_____	_____	_____
Destruction of Electronic Data or Programs	_____	_____	_____	_____
Extortion	_____	_____	_____	_____
Forgery or Alterations	_____	_____	_____	_____
Guests Property	_____	_____	_____	_____
Identity Fraud Expense	_____	_____	_____	_____

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Kidnap and Ransom _____

Lessees of Safe Deposit Boxes
(Securities and Other Property only) _____

Telephone Toll Fraud _____

Unauthorized Reproduction of Computer Software by
Employees _____

Money and/or Securities Only

Theft, Disappearance and Destruction _____

Robbery and Safe Burglary _____

Securities Deposited With Others _____

Property other than Money and Securities

Premises Burglary _____

Premises Theft _____

Robbery and Safe Burglary _____

Other Crime Coverages

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LIABILITY COVERAGES

	Recommend	Accept	Reject	Not Applicable
Commercial General Liability				
Occurrence Basis	_____	_____	_____	_____
Claims-Made Basis	_____	_____	_____	_____

Optional Liability Coverages

Cyber Liability	_____	_____	_____	_____
Directors and Officers	_____	_____	_____	_____
Employee Benefits	_____	_____	_____	_____
Employment-related Practices	_____	_____	_____	_____
Liquor	_____	_____	_____	_____
Owners and Contractors Protective	_____	_____	_____	_____
Special Events	_____	_____	_____	_____

Other Liability Coverages

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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PROFESSIONAL AND E&O LIABILITY COVERAGES

COMMERCIAL AUTO COVERAGES

Recommend Accept Reject Not Applicable

Liability _____

Physical Damage _____

Hired Cars _____

Non-Ownership Auto _____

P.I.P./No-Fault _____

Optional Automobile Coverages

Garagekeepers _____

Medical Payments _____

Uninsured Motorists _____

Underinsured Motorist _____

Other Auto Coverages

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WORKERS COMPENSATION COVERAGES

	Recommend	Accept	Reject	Not Applicable
Workers Compensation and Employers Liability	_____	_____	_____	_____
Stop Gap or Employers Liability Coverage	_____	_____	_____	_____
Federal Employers Liability Act	_____	_____	_____	_____
Longshore and Harbor Workers Coverage	_____	_____	_____	_____
Voluntary Compensation	_____	_____	_____	_____

Other Workers Compensation Endorsements

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

EXCESS LIABILITY COVERAGES

	Recommend	Accept	Reject	Not Applicable
Umbrella Policy	_____	_____	_____	_____
Excess Liability Policy	_____	_____	_____	_____

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AVIATION COVERAGES

Aircraft Policy	_____	_____	_____	_____
Passenger Liability	_____	_____	_____	_____

SPECIALTY COVERAGES

Camp Insurance	_____	_____	_____	_____
Educators Legal Liability	_____	_____	_____	_____
Electronic Data Liability	_____	_____	_____	_____
Environmental Impairment Liability Policy	_____	_____	_____	_____
Fiduciary Liability Insurance	_____	_____	_____	_____
International/Foreign Operations Insurance	_____	_____	_____	_____
Media/Communication Liability	_____	_____	_____	_____
Rain or Weather Insurance	_____	_____	_____	_____
Terrorism Insurance	_____	_____	_____	_____
Underground Storage Tank Liability – UST	_____	_____	_____	_____

Other Specialty Coverages

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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BONDS

Bid Bond	_____	_____	_____	_____
Contract Bond	_____	_____	_____	_____
License and Permit Bond	_____	_____	_____	_____

Other Bonds

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

OTHER OPTIONS

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Comments

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I certify that I have reviewed my coverage needs in accordance with this checklist with my agent and I have accepted or rejected the recommended coverages as indicated by my initials in the spaces above.

_____ Signature of Client _____ Date

_____ Title

I certify that I have reviewed the coverages outlined in this checklist with my client and that the initials of the client indicate the acceptance or rejection of the coverages recommended.

_____ Signature of Agent _____ Date