

General Liability vs. Student Accident Policies

A Christian school faces risk everyday. The safety of the young students placed in its care is one of its most fundamental missions. Exceptional teachers and a superior curriculum are of little value if the school's reputation or its financial stability is impaired.

One of the most common **Risk Management errors** schools across the country make is placing the liability associated with student accidents with their "Commercial General Liability Policy" (hereafter GL Policy).

How does a GL Policy Work?

GL policies are designed to pay (on behalf of your school) all monies it becomes legally obligated to pay. Primarily, it is a third party policy covering negligence when the school, or school personnel, are the proximate cause of bodily injury or property damage to a 3rd party. In order for a 3rd party to be indemnified under your GL policy he/she is generally required to file a lawsuit against your institution. The most common exception to this general rule is medical payments. When negligence is proven in court, the sums the policy pays on the school's behalf can be both compensatory (ie: medical costs, pain & suffering) and punitive (punishment). 3rd party policy covering negligence when the school, or school personnel, are the proximate cause of bodily injury or property damage to a 3rd party. In order for a 3rd party to be indemnified under your GL policy he/she is generally required to file a lawsuit against your institution. The most common exception to this general rule is medical payments. When negligence is proven in court, the sums the policy pays on the school's behalf can be both **compensatory** (ie: medical costs, pain & suffering) and **punitive** (punishment).

"Accidents" under a GL Policy

Under most GL policies there is also a **Medical Payments Coverage** feature designed to protect your school against accidents occurring because of your negligent operation or accidental cause on school grounds. This section of the policy pays up to a small limit (typically \$5,000) and it is paid regardless of fault. It generally has an exclusion for any person taking part in athletics. A GL policy is one method for compensating parents for student injuries at school. It is not designed for athletic injuries nor is it designed to handle routine injuries efficiently or expeditiously. Once a GL claim is made, that claim is recorded and factored into the rating process to determine your premium **for ALL subsequent years**.

The "Big Picture" Comparing and Contrasting GL vs. Student Accident Policies

Student Injury Issue	GL Response	Student Accident Response
Purpose	3rd Party Negligence	1st Party Student Injuries
Responsiveness	Independent Adjustors /Attorneys Built to Deliberate (Prove / Disprove)	Immediate: Built for Turnaround Designed to Satisfy Parents
Costs	Must Pay as Primary Compensates Adjusters	Pays Excess No Adjusters Necessary
Limits	Typically up to \$5,000	Available up to \$1,000,000
Excluded Risks	Athletics, Travel	None
Parent Conflict Resolution	Parent sues for over \$5,000	No Conflict
Community Medical Providers	Waiting for adjuster approval Soliciting School to pay	Handled directly with Parents Bills paid