

Which type of student accident policy is right for your school?

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.

Student Accident coverage falls under the insurance category of "Special Risk Coverage." Since it is not a mainstream type of coverage (i.e.; Major Medical, Disability, Life, etc.) there are comparatively only a handful of quality providers in the United States. Review your plan closely...not all plans are created equal. There are 13 major points to review with Student Accident Plans. Listed below are just a few.

Medical Maximums: \$10,000 \$25,000 or \$1,000,000

There are three major categories of coverage to choose from with Student Accident Policies. 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 virtually eliminate their exposure by choosing a **\$1,000,000 limit**.

- While \$10,000 and \$25,000 plans provide solid coverage, it is wiser to choose a plan with larger limits. The cost difference is minimal - the coverage provided substantial.
- \$1,000,000 plans are the most common and recommended plans on the market today.

Association Plans vs. P&C Policies

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 such as: rate guarantees, fewer claims problems, fewer policy restrictions, and better service. Carefully review Church Property and Casualty (P&C) carriers that offer student accident plans as stand alone or "tack-on" policies. Generally, these plans are full of loopholes and provide very low levels of coverage. In addition, coverage through a P&C carrier most often eliminates your ability to ask for discounts on general liability coverage.

Mandatory vs. Voluntary Coverage

Voluntary coverage (when parents choose whether or not to participate) was originally developed for public school systems. Since public school systems are not subject to the same risk exposure to lawsuits, student accident coverage serves a different purpose: limited coverage for students without health coverage rather than risk reduction for the school system.

For the private school, mandatory coverage is the only sensible option. **Mandatory coverage** assures that the administrator never has to call a parent without health coverage to explain why the school cannot afford to pay \$30,000 in medical bills caused during a school sporting event.

Policies with Deductibles

Deductibles allow insurance companies to lower rates by eliminating claims exposure. With student accident coverage, the savings are minimal. However, the negative effect associated with deductibles is quite high. For example, with minor accidents, a parent's only out-of-pocket expense may be the doctor's office "co-pay." The co-pay (usually \$10 - \$25 per visit) is almost always less than the deductible; thus the parent receives no benefit from a policy with deductibles. **Deductibles frustrate parents** and often cause the school to lose the good will created with parents when a plan does not pay.