

Policy

INSURANCE MANAGEMENT

Liability Insurance

The Chester Board of Education shall in accordance with law insure its employees against injury or death resulting in the course of their employment. Board, officers, and employees shall also be insured against liability for damages for death, injury to person, or damage or loss of property caused by the negligent act or omission of the member, officer, or employee when acting within the scope of his or her office or employment.

The board shall provide appropriate insurance for the indemnification of officers and employees, including student teachers, from damages, losses, and expenses from civil suit brought against such persons on grounds arising out of and in the course of their employment or position with this board.

Bonding

The board shall use as the minimum requirements for the surety bond for the treasurer of school moneys at the percentage of the current year's school budget as set forth in law (N.J.A.C. 6A:23A-16.4). The board in fixing such minimum bond, shall round to the nearest \$ 1,000.

The board shall ensure that the independent school auditor verifies the adequacy of the treasurer's surety bond which is required by N.J.S.A. 18A:17-32, and includes appropriate comment, and a recommendation, if needed, in the annual school audit report.

Accident Insurance

The board will provide parents the opportunity to purchase insurance coverage, at no cost to the board, for injury resulting from accidents sustained by students in school, on school grounds, at an activity sponsored by the school, while traveling between home and school and in any activity round-the-clock.

The chief school administrator shall recommend suitable and qualified insurance carriers for board consideration.

Property Insurance

The board will ensure that the district has adequate insurance to cover the loss or damage of school property due to theft, water damage, glass breakage, fire damage, smoke, windstorm, vandalism and any other cause the board deems appropriate. In contracting for insurance coverage the board shall be guided by the desirability of distributing the insurance coverage of the district through one insurance broker only.

The board insurance broker shall annually:

- A. Review the insurance program of the district, consider alternatives, and report recommendations to the board;
- B. Assist the board in the establishment and maintenance of property valuation and insurance records;
- C. Review plans and specifications of all new facilities with the rating bureau in order to eliminate unnecessary penalty charges;
- D. Process all claims;
- E. Recommend such measures as may reduce the cost of insurance premiums including assumption of risk,

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loss prevention, transfer of risk and self-insurance.

All insurance records shall be on file in the office of the board.

School Board Insurance Group

The board shall provide insurance for:

- A. Loss or damage to school district property, real or personal;
- B. Loss or damage from liability resulting from the use of district property;
- C. Loss or damage from liability for the acts and omissions of school district officers or employees;
- D. Loss or damage from liability established by the workers' compensation statutes; and
- E. The expenses of defending any claim against the board members, officers, or employees of this district arising out of and in the course of the performance of their duties.

The board, may by board resolution, join with other boards of education in providing coverage for the insurance needs of this district and in participating in programs of risk management to prevent loss and to control liability through participation in the School Board Insurance Group.

The trustee or trustees of School Board Insurance Group representing this board of education shall be elected by a plurality vote of those board members present and voting.

Adopted: March 6, 1979
 Revised: September 6, 1983, July 31, 2003
 NJSBA Review/Update: August 2008, September 2018
 Readopted: April 27, 2009, September 17
 2018, January 2024

Key Words

Insurance, Liability, Property Insurance, School Board Insurance Group

<u>Legal References:</u>	N.J.S.A. 18A:12-20	Indemnity of board members against cost of defense
	N.J.S.A. 18A:16-6 through -6.1	Indemnity of officers and employees against action, proceeding; exceptions
	N.J.S.A. 18A:18A-42	Duration of certain contracts
	N.J.S.A. 18A:18A-43	Supervision of school building repairs
	N.J.S.A. 18A:18B-1 <u>et seq.</u>	Self-insurance
	N.J.S.A. 18A:20-25	Insurance of property
	N.J.S.A. 50:10-4	Local public entities; authority to indemnify

Possible

<u>Cross References:</u>	*1330	Use of school facilities
	*3510	Operation and maintenance of plant
	*4147/4247	Employee safety
	*5141.1	Accidents
	*5142	Student safety
	*6114	Emergencies and disaster preparedness
	*9270	Conflict of interest
	*9271	Code of ethics

*Indicates policy is included in the Critical Policy Reference Manual