

Policy

INSURANCE MANAGEMENT

Board Member Indemnification

Board members shall be indemnified in accordance with law (see N.J.S.A. 18A:12-20) whenever a civil, administrative, criminal or quasi-criminal action or other legal proceeding is brought against a board member for any act or omission arising out of and in the course of the performance of his/her duties as board member. In the case of a criminal or quasi-criminal action which results in a final disposition in favor of the board member, the board will defray all costs of defending the action, including reasonable counsel fees and expenses, together with costs of appeal, and will save harmless and protect the board member from any financial loss resulting from the action.

Indemnification for exemplary or punitive damages is not required and will be governed by the standards and procedures set forth in law (see N.J.S.A. 59:10-4). The law provides that the board may arrange appropriate insurance for the indemnification of officers and employees for exemplary or punitive damages resulting from the employee's civil violation of State or federal law if in the opinion of the board the acts committed by the employee upon which the damages are based did not constitute actual fraud, actual malice, willful misconduct or an intentional wrong.

Employee Indemnification

The board shall defray all costs of defending such action, including reasonable counsel fees and expenses, together with costs of appeal, if any, and shall save harmless and protect such person from any financial loss resulting from any civil or administrative action or other legal proceeding has been or shall be brought against any person holding any office, position or employment under the jurisdiction of any board. This indemnification includes student teachers or persons assigned to other professional pre-teaching field experience. The indemnification shall be for any act or omission arising out of and in the course of the performance of the duties of their office, position, employment or other assignment, except that:

No employee shall be entitled to be held harmless or have his defense costs defrayed in a disciplinary proceeding instituted against him by the board or when the employee is appealing an action taken by the board; and

Indemnification for exemplary or punitive damages shall not be mandated and shall be governed by the standards and procedures set forth in law (see N.J.S.A. 59:10-4).

The board may arrange for and maintain appropriate insurance to cover all such damages, losses and expenses.

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 superintendent 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, boiler damage, fire damage, smoke, windstorm, vandalism and any other cause the board deems appropriate. In contracting for insurance coverage the board shall be

INSURANCE MANAGEMENT (continued)

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, loss prevention, transfer of risk and self-insurance.

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

Adopted: February 10, 2005, April 28, 2004
 NJSBA Review/Update: June 2015
 Readopted: August 12, 2015

Key Words

Insurance, Liability, Property Insurance, School Board Insurance Group

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

<u>Cross References:</u>	*1330 *3510 *4147/4247 *5141.1 *5142 *6114 *9270 *9271	Use of school facilities Operation and maintenance of plant Employee safety Accidents Student safety Emergencies and disaster preparedness Conflict of interest Code of ethics
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*Indicates policy is included in the Critical Policy Reference Manual