



# HOW TO PROTECT YOUR GOOD NAME

A GUIDE TO SCHOOL INSURANCE  
FOR HEADS AND GOVERNORS

# WHAT OUR SCHOOL AND COLLEGE CLIENTS THINK OF US

Highly professional and a constant source of support and information. **Excellent.**

The best quality in the market as it is a large organisation with resources to give good service. **A reliable, and honest company within the insurance sector.** Very supportive. **Easy to use.** Very professional, yet still friendly and approachable. A very professional service offering good value for money. **Always prepared to go the extra mile to help.** Efficient and thorough. Our trusted insurance partner, providing valuable advice and an excellent service. **A very well informed friend to have.** Efficient, helpful and easy to work with. Suitable to our needs and willing to provide cover for unusual requirements. **A professional and competent team that is responsive to my school's needs.** **Very good.** Fully supportive of our school's aims and objectives. The support we have received since conversion has been excellent and we highly value the relationship we have established. **Knowledgeable, helpful, supportive, and approachable.** Good value for money. Friendly, helpful, and professional. Experienced and supportive organisation. **Both pro-active and reactive in providing a solid and reliable insurance service.** Providing a satisfactory and value for money service. A useful support to me and my team which is essential to the smooth running of the school. **Extremely helpful.** Great at their jobs. **Pragmatic and sensible, offering good practical solutions when our insurance needs change.** Good to have in your corner when there are difficulties. **Informative and provide a speedy response to queries with detailed knowledge.** Understanding and knowledgeable in the needs of educational establishments. **Fully understanding the needs of my school.** Very efficient and helpful. An invaluable resource to help and support our insurance requirements. **Excellent and always able to support me with any information that I have required since I have been in the post.** Able to talk in language we understand; no insurance/legal speak! **Outstanding support for the education sector.** They never tire of dealing with my numerous queries. A supportive partner in helping schools understand the complex world of insurance. **Thorough and fair.**

(Marsh Client Satisfaction Surveys 2014-15)

# WHO DO YOU TRUST WITH YOUR GOOD NAME?

The responsibilities of a modern independent school head or governor are very diverse and constantly evolving; these may include:

- The safety and wellbeing of staff, pupils, and visitors to the school.
- Employment of the school's staff.
- The performance management of the head teacher and senior management team.
- The maintenance and safety of the school buildings and its contents.
- The results and performance of the school's pupils.
- The financial health of the school.

With such a diverse range of responsibilities comes an equally diverse range of risks. All of which can be mitigated against by the purchase of specialist education covers and a robust risk management programme.

If you are a head or governor at an independent school and involved in the insurance and risk decision making, you may at times feel somewhat daunted at the task ahead, and understandably so.

This adviser guide draws on the experience of Marsh's Education Practice – which was formed in 1926. It will help you prepare in taking on the responsibility for protecting your school, its assets, and the people who work and learn within it by purchasing cost-effective insurance arranged by a trusted risk adviser.

**“If I had one piece of advice for anyone, it would be ‘choose your suppliers carefully’. I wanted suppliers to act as partners.”**

Senior Education Leader, Business & Finance

Here are some of the key questions and risk strategy considerations to ask your bursar.

## Your School's Insurance: A checklist

### 1. How much cover do we need?

Remember that cheap insurance that does not offer adequate protection is no more cost efficient than insurance offering comprehensive protection at inflated prices.

### 2. How best to buy insurance?

In essence, you have two options when it comes to purchasing insurance. Via an insurance broker specialising in the education insurance sector or direct from an insurer. Remember, if working direct with an insurer, when it comes to making a claim you'll be without the support and negotiating power of an insurance broker.

### 3. When to buy?

There is no substitute for starting the insurance process early – ideally three to four months before your renewal date. This will give your school time to work closely with an insurance broker to design and secure the appropriate cover. Marsh works with almost one in two independent schools in the UK, so why not benchmark your current cover by speaking to Marsh?

### 4. How am I protected?

Don't forget that, in taking a role as a governor, you are exposing yourself to professional risks. What happens if you make a mistake and something goes badly wrong? Do you have directors and officers liability insurance? Is there sufficient professional indemnity insurance?

### 5. What's next?

Once appointed, your insurance broker should be an extension of the school's risk management function. For instance, by working with you to clarify building valuations, carry out risk assessments, deliver risk management webinars, and provide ongoing support.

# INSURANCE: WHAT DO YOU REALLY NEED?

## UNDERSTAND YOUR SCHOOL'S RISKS AND HOW TO PROTECT AGAINST THEM EFFECTIVELY

It is all too easy to think of insurance as protecting only physical assets – buildings, equipment, fine art, vehicles and so on. However, the truth is, there is much more to insurance than just “bricks and mortar”. The risks facing independent schools, and therefore their insurance needs, break down across five broad categories:

### 1. PHYSICAL

A major fire or other large loss could seriously hamper your ability to provide high quality education. Essential catastrophe covers are a must, together with protection against other significant threats such as storm and flood. It is vital that the correct sums insured are applied to ensure that the school is not prejudiced in the event of a claim.

**Building works – Is your school planning a construction project? Make sure risk management and insurance are both part of the process. Building works (especially any “hot works”, such as blowtorches) may require separate insurance, so check with your insurance broker.**

### 2. CONSEQUENTIAL

Following a major incident, such as a flood or fire, temporary closure of the school may be unavoidable – but it is vital that things get back to something approaching normality as quickly as possible. Temporary buildings may need to be sourced, delivered, and erected quickly in order to ensure that parents do not withdraw pupils. This risk of disruption or temporary closure is a consequential risk.

**In a world of “what-ifs”, Marsh’s Education Practice helps independent schools and colleges better quantify and manage risk – transforming uncertainty into opportunity.**

### 3. LEGAL

The 21st century is a litigious environment. Schools are considered “fair game” by applicants and are often the subject of high value liability claims. Teachers and governors need to be reassured that they will be protected should the worst happen either whilst at the school or during school activities anywhere in the world.

### 4. MANAGEMENT

Professional indemnity risks are considered by many industry experts to be amongst the most difficult to defend. “Failure to educate”, expulsions, and general mismanagement claims are extremely common in today’s society. Professional indemnity insurance is designed to protect school management from such risks.

**Protecting Your Good Name. Crisis management and communications cover of up to £25,000 is included in Marsh’s education public liability policy\*.**

*\* Terms and conditions apply.*

### 5. REPUTATIONAL

Reputation counts for an awful lot in education. A loss of reputation can lead to pupil reductions and, consequently, reduced funding. It is also possible to insure against these risks. For instance, ensure your cover provides access to professional crisis management support in dealing with the media should an incident at school attract negative press attention.

## TYPES OF INSURANCE COVER

Of course, no two independent schools are the same and, as a result, insurance requirements will differ from one to another. However, as a general guide, the insurance covers that are relevant to most schools are detailed below.

In the end, the only way to be sure you are properly covered is to work with an insurance provider willing and able to offer independent guidance and support – to help you select the most appropriate type and level of cover for your school.

### General Insurance

- Property.
- Business interruption.
- Engineering insurance.
- Employers liability.
- Public liability.
- Specialist fine art cover.
- Governors liability.
- Professional indemnity.
- Legal expenses.
- Motor and occasional business use (OBU) cover.
- iPad and tablet PC.
- Terrorism cover.
- Cyber liability.

### Pupil and Staff Insurances

- Personal accident.
- Pupils' personal effects.
- Pupil absence insurance.
- Private medical healthcare for pupils.
- Overseas travel insurance.
- "Key staff" health insurance.
- Staff absence insurance.
- Voluntary employee benefits.
- Legal expenses for bursars.

### Advisory Services

- Engineering inspection services.
- Health and safety guidance.
- Business continuity planning.
- Claims reduction and defensibility consulting.
- Dedicated account manager.
- Access to events, risk management seminars, and webinars.

Marsh is a global leader in insurance broking and risk management. In more than 130 countries, our experts help clients to anticipate, quantify, and more fully understand the range of risks they face. In today's increasingly uncertain global business environment, Marsh helps clients to thrive and survive.

Marsh works with schools and colleges of all types and sizes to define, design, and deliver innovative solutions to better quantify and manage risk. To every client we bring a powerful combination of deep intellectual capital, industry-specific expertise, global experience, and collaboration.

To further support our clients' strategic, operational, and risk management goals, we provide consulting, brokerage, and claims advocacy services.

**"Failure to educate" claims  
can be covered by  
Professional Indemnity  
policies arranged by Marsh**

# HOW TO BUY INSURANCE

## STRIKING A BALANCE BETWEEN COVER, SUPPORT, CHOICE, AND PRICE

The benefits of working with an insurance broker are perhaps best illustrated by looking at the three “Cs” of cost, cover, and claims:



**“Marsh is a specialist for the independent education sector, not only are they able to broker required insurances, but they also provide excellent advice and guidance.”**

Independent School Bursar



# PROTECT YOURSELF

Being a head or a governor can be time consuming, but it is important that you don't overlook the need to protect your own interests, and your professional reputation, from the outset.

Ask yourself what you would do if something went badly wrong, or you made a mistake. Would you be protected if a legal claim was brought against you personally?

Fortunately, you can protect yourself against both these eventualities through insurance.

## LEGAL EXPENSES PROTECTION

It is an unfortunate fact of life that, in our increasingly litigious society, a little bit of protection goes a long way.

Anyone in a position of responsibility within a school could find themselves the subject of legal action or involved in an employment dispute that "goes legal" – and covering your own legal costs is likely to be an expensive business.

Legal expenses cover is designed to protect against those costs, providing personal cover separate from the school's own legal expenses insurance:

- Pursuit of civil claims for damages or compensation arising from a contract of employment.
- Defence against any prosecution (other than a motoring prosecution) that arises from a matter relating to your employment.
- Pursuit of civil claims for damages or compensation arising from or out of any matter which directly results in death or personal injury.

**"I chose to work with an insurance broker. Not necessarily because of its scale and expertise in the education sector, but because the Marsh representative showed a real commitment to working with me in a very open way. I felt that he was someone I could trust to keep his word."**

Senior Education Leader, Business & Finance



# THESE ARE TYPICAL OF THE CONCERNS AND WORRIES WE RESOLVE FOR SCHOOLS AND COLLEGES.

The rising costs of insurance. **Accidents on school trips.** Historic claims. **Being underinsured.** A major incident and the damage it could cause to the school and its reputation. **Not being able to work with our trusted insurance broker.** That we won't have adequate cover. **Ensuring best value.** The insurance cover is complete and covers all that is legally required. **Being able to continue with "business as usual" in the event of a major problem and that claims will be dealt with promptly.** Total loss through fire. **Not knowing.** Having to accept second best when procuring insurance for schools. **Not being sufficiently covered.** The increasingly litigious attitude in dealing with staff and others. **Not having access to experts to advise me.** Not having spotted an omission in our insurance cover. **Having inadequate insurance cover to meet all eventualities.** We will lose the close relationship, support, and understanding that we have developed with Marsh over the last three years. **Ensuring we have adequate cover in the correct areas.** Ensuring that the cover I have for the school is enough. **That I am under insured.** I won't have the right level of insurance if I should need it. **The cost of insurance is increasing.** As a school I will not be allowed to choose my own insurance provider in the future. **Not being kept informed of possible changes in risk.** Having unforeseen circumstances for which we are not covered. **That claims will not be dealt with quickly and our schools do not receive good and accurate support.** Not being covered adequately. **I worry what the gaps will be in terms of cover – overseas travel? engineering? motor risks?** Not having adequate advice to make an informed decision to choose the most appropriate cover to meet the needs of the school. **How will my claim be handled – does the company have the experience?** What happens if my claim is declined? Keeping up with legislation. **Reputation damage arising from an unforeseen incident.** Business Continuity in event of major incident. **Getting the balance right between enough cover and too much cover, especially when working within tight budget restraints.**

(Marsh Client Satisfaction Surveys 2014-15)



# THE PRACTICALITIES

## WHEN THINGS GO WRONG

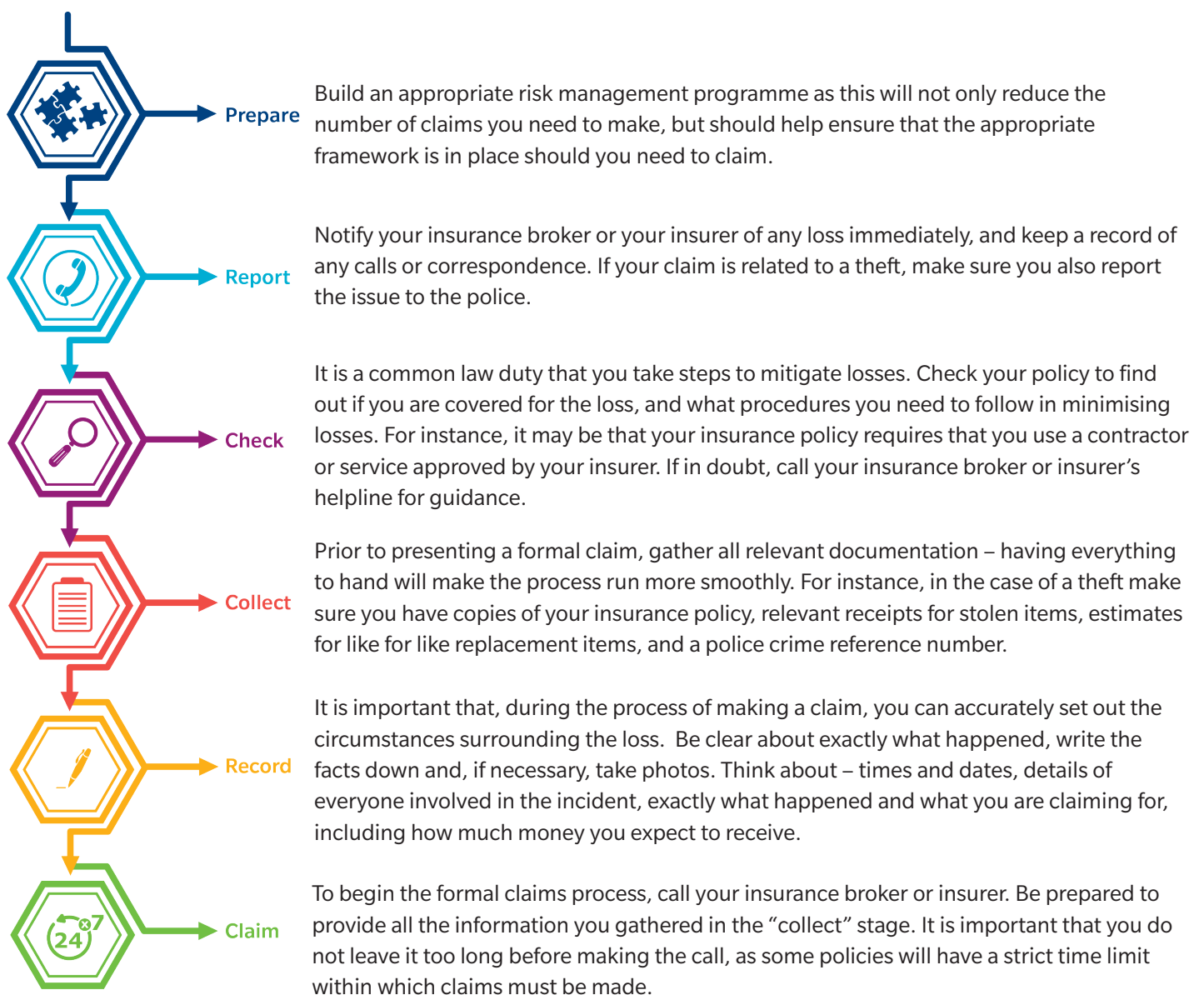
It's a fact of life. Sometimes things go wrong. That's why we buy insurance – to protect against the unexpected – so understanding what to do when the worst happens, and what to expect from your insurance broker and insurer, is vital to getting the most out of the investment in insurance protection.

When something goes wrong, be it something significant like flooding or a smaller issue like vandalism or an equipment breakdown, it is vital that you contact your insurance broker or insurer before doing anything else.

By getting your insurance broker or insurer involved from the beginning, you will have access to specialist advice in dealing with the incident (potentially even including support dealing with the press in the event of a major issue) and you can be sure that any steps taken to remedy the situation will be fully covered by your insurance policy.

### THE CLAIMS PROCESS: HOW IT WORKS

The claims process may differ depending on the nature of the issue, but in general terms, making a claim involves the following steps:



# COMMON CLAIMS: WHAT HAPPENS?

The exact nature of the claims process, once you have registered a claim with your insurer, will depend on a number of factors – principally, the type and nature of the claim, the terms of your cover and your insurer's own claims processes. Broadly speaking, however, the process for common claims is as follows:



## PROPERTY CLAIMS – LOSS, THEFT OF OR DAMAGE TO CONTENTS

If your claim is accepted, your insurer will either use its supplier network to repair or replace the affected items, or it will ask for repair and replacement estimates before deciding how to settle your claim.



## PROPERTY CLAIMS – DAMAGE TO WINDOWS

Many insurers work with specialist glazing firms, which are contracted to repair windows under the terms of the buildings insurance policy – subject to an excess.



## PROPERTY CLAIMS – DAMAGE TO BUILDINGS

What happens next depends on the severity or complexity of the damage. For simple claims, your insurer will often authorise repairs or agree a cash settlement on the basis of the repair cost estimate you provide. In such cases, most insurers would expect to receive more than one estimate for comparison purposes. For more complex claims, or when the cause of damage is unclear, the insurer may ask a specialist firm to investigate before making a decision on your claim.

For certain specialist works, for example damage to drainage, insurers can often arrange repairs more cost effectively through preferred suppliers. Therefore, always ensure you consult with your insurance broker or insurer before taking any action regarding repairs.



## PROPERTY CLAIMS – MAJOR LOSS

If you suffer a major loss, for instance through fire or flood, your insurer will usually appoint a senior claims handler and a specialist loss adjuster to work with you in investigating the nature, cause and scale of the loss.



## PROPERTY CLAIMS – BUSINESS INTERRUPTION

Business interruption claims are often quite complex, so your insurer is again likely to appoint a loss adjuster to help work out what needs to be done to get the school back up and running as quickly as possible.



## LEGAL LIABILITY CLAIMS

It is important that you notify your insurer immediately when you receive notification that the school is to be pursued for damages, for instance following an incident leading to personal injury. Do not communicate directly, or try to negotiate, with the claimant. Instead, forward any communication you receive, along with full details of the relevant incident, to your insurance broker or insurer. If necessary, your insurer will appoint a solicitor to act on your behalf.

You should not admit liability to a third party under any circumstances.



## PERSONAL INJURY CLAIMS: LIABILITY AND REPORTING

The 31 July 2013 saw changes come into effect which represent the single largest overhaul of the personal injuries legal framework in England and Wales in over a decade. This reform was designed to decrease the time it takes to deal with claims of this nature.

In simple terms, this means that schools must:

- Put in place robust systems for reporting and recording incidents involving personal injury.
- Ensure that all documentation is appropriately stored and easily available in the event of a claim against the school.
- Inform insurers immediately that the school is notified that it is subject to a personal injury liability claims.
- Adhere to the strict deadlines imposed on the process. The closure of a school for holiday periods does not extend the prescribed deadlines.



## WORKING WITH A BROKER: IN-HOUSE CLAIMS SUPPORT

Making an insurance claim can be a complex and stressful time – it is also one of the times when the value of working with a broker, rather than going direct to an insurer, becomes apparent.

That is, your broker should provide support throughout the claims process – claims management is an integral part of a broker's role. Crucially, your insurance broker will also have a duty to work on your behalf\*, so you will have expert support at your side when it comes to negotiating with insurers over claims and settlements.

The Marsh claims team has helped many schools and colleges with claims of all shapes and sizes – from large fires and floods, to historic abuse and accidental damage claims. And crucially, the team and the vital support it provides is only ever a phone-call away.

\*Where the insurance broker is acting under a Delegated Authority Agreement the duty to work on behalf of the client is replaced by a duty to act on behalf of the insurer.

- ✓ **Do** inform your insurer and/or broker immediately.
- ✓ **Do** provide accurate information as quickly as possible.
- ✓ **Do** keep in touch with your insurer as the claim progresses.
- ✗ **Don't** invalidate your insurance cover by failing to comply with specific conditions in your policy.
- ✗ **Don't** make repairs or take any other action without your insurer's approval.
- ✗ **Don't** underestimate the full costs of any loss you suffer.

The Marsh UK Education Forum is a dedicated group on LinkedIn for all Marsh clients.

## QUESTIONS TO ASK YOUR BURSAR

We understand that as an independent school you have a number of options when it comes to choosing your insurance provider. However, as a leading risk adviser in the education sector, we'd like you to consider talking to Marsh about the following key questions:

- Is your insurance cover comprehensive and relevant to the current risks presented by your school?
- Is your current premium level sustainable and does it deliver value for money for your school?
- Does your insurance provide for a free risk management and valuation service?
- Are your current premiums subject to retrospective annual adjustment?
- Is your school looked after by a dedicated practice of education insurance specialists, with an in-house education specific claims team?
- Do you have an adequate indemnity period under your business interruption insurance?
- How innovative is the approach to your overall portfolio of protection?
- How does the school investigate and maintain full records of all incidents involving pupils and staff?
- Are you able to draw on the resources of a global insurance broker when identifying and dealing with emerging risks?
- Does your insurance cover come with a guarantee against underinsurance?
- When was the last time the school undertook a fire risk assessment?
- Has your insurance broker been working with UK independent schools for almost a hundred years?

### FOR FURTHER INFORMATION, PLEASE CONTACT:

☎ 01444 335100    ✉ [development.team@marsh.com](mailto:development.team@marsh.com)    🌐 [uk.marsh.com/education](http://uk.marsh.com/education)     Join our group

Marsh Ltd, Education Practice, Capital House, 1-5 Perrymount Road, Haywards Heath, West Sussex RH16 3SY



## ABOUT MARSH

Marsh is a global leader in insurance broking and risk management. In more than 130 countries, our experts help clients to anticipate, quantify, and more fully understand the range of risks they face. In today's increasingly uncertain global business environment, Marsh helps clients to thrive and survive.

We work with clients of all sizes to define, design, and deliver innovative solutions to better quantify and manage risk. To every client interaction we bring a powerful combination of deep intellectual capital, industry-specific expertise, global experience, and collaboration. We offer risk management, risk consulting, insurance broking, alternative risk financing, and insurance programme management services.

Since 1871 clients have relied on Marsh for trusted advice, to represent their interests in the marketplace, make sense of an increasingly complex world, and help turn risks into new opportunities for growth. Our more than 30,000 colleagues work on behalf of our clients, who are enterprises of all sizes in every industry, and include businesses, government entities, multinational organisations, and individuals around the world.

We are a wholly owned subsidiary of Marsh & McLennan Companies (NYSE: MMC), a global professional services firm offering clients advice and solutions in the areas of risk, strategy, and people. With 60,000 colleagues worldwide and annual revenue exceeding \$13 billion, Marsh & McLennan Companies also include global leaders Guy Carpenter, Mercer, and Oliver Wyman.



The information contained herein is based on sources we believe reliable and should be understood to be general risk management and insurance information only.

The information is not intended to be taken as advice with respect to any individual situation and cannot be relied upon as such.

Registered in England and Wales Number: 1507274, Registered Office: 1 Tower Place West, Tower Place, London EC3R 5BU

Marsh Ltd is authorised and regulated by the Financial Conduct Authority.

Copyright © 2016 Marsh Ltd All rights reserved.