**Risk Financing Options for Schools.**

Maintained Schools that have previously arranged their insurances through the Local Government. Schools have now been given the opportunity to buy into the government’s Pooling Scheme: Risk Protection Arrangement.

The key differences between the two schemes are as follows:

**RPA:**

* A risk pooling arrangement, not subject to contract (no policy terms and conditions).
* Risk Funding models unavailable – therefore impossible to comment on Financial Capacity
* No evidence of Terrorism Cover
* The arrangement does not cover all risks: the scheme excludes some statutory insurances.
* Cheaper premiums

**Local Authority:**

* Insurance Cover backed up by contract (policy terms and conditions)
* Insurance Companies regulated by the FCA and reinsured for additional capacity.
* Terrorism Cover in place
* Policy deductibles fully funded
* Insurance covers engineering and motor insurances, which are statutorily compulsory.
* Full cost of risk substantially subsidised.
* The Council provides property valuation every five years to ensure adequate cover and avoid underinsurance.

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| **Risk Covered** | **RPA** | **The Council** |
| **Material Damage**  Loss or damage to buildings, contents, computers and  stock owned by or the responsibility of the school | Covered up to reinstatement value of property.  Policy excess:  £250 accidental damage  £1000 subsidence | Covered up to reinstatement value of property.  Policy excess:  £250 accidental damage  £2000 subsidence |
| **Cyber insurance**  Provides protection against external threats and internal  mistakes that impact a firm’s information technology and  computer systems  Covers may include: cyber-terrorism, cyber extortion, civil  fines and penalties (GDPR), privacy breach and reputational  rebuild costs, security and privacy liability, digital asset  replacement expenses | Not Covered | Cover Provided  £1,000,000.00 Limit of cover |
| **Engineering**  Covers Inspection and Insurance of equipment requiring a statutory inspection: (lifts, boilers, plant) | Not Covered | Full Cover Provided  Policy excess £250 |
| **Terrorism Cover** | Liabilities only | Full cover for Property and Liabilities |
| **Business Interruption:**  Compensation for increase in cost of working, resulting  from interruption or interference with the business  following a material damage loss | £10,000,000 any one loss  (36 month indemnity  Period) | Covered up to the reinstatement value of Property – 36 month indemnity period |
| **Loss of Data:** | Not covered | Covered up to the reinstatement value of Property |
| **Loss of revenue:** | Not covered | Covered up to the reinstatement value of Property |
| **Works in Progress:**  Covers properties which are undergoing repair,  renovation or major rebuilding work | £250,000 (fixed) | Covered up to the reinstatement value of Property |
|  |  |  |
| **Cultural Assets/ works of art:**  Loss or damage to cultural assets or works of art owned  by or the responsibility of the school | £10,000 per item, maximum  £250,000 any one loss of  multiple cultural assets | No fixed limit – cover is provided up to  the required sum insured, as declared by school. |
| **Money**  Loss of money whilst in transit or elsewhere | Various, including cash on  premises or in transit £5,000  Policy excess: £50 PR £100 Sec | Limits as agreed with school depending on safe specification  Policy excess: £250 |
| **Motor**  Motor insurance cover for employees and volunteers  to use insured vehicles | Not Covered | Full cover  Policy excess: £250 |
| Legal Expenses | £100,000 | provided via local authority’s  in-house legal team |
| **Personal Accident**  Compensation for accidental bodily injury to employees,  governors, trustees, volunteers and pupils of the school  whilst on the business of the school in the UK | Death and capital benefits £100,000  Other benefits unavailable | Now covered under the Pension Scheme – no cost to school.  Death and capital benefits: multiples of salary plus other benefits for disablement etc. |
| **Travel / School Journey**  Compensation for travel related costs in the UK and  Overseas. cover includes: medical expenses, loss of baggage,  cancellation, curtailment, rearrangement, change of itinerary  and accidental bodily injury to employees, governors,  volunteers and pupils whilst on business of the school | £10,000,000 medical expenses cover  Baggage £2,000 in total per person (inner limits apply), money £750 per person, medical expenses £10,000,000 (cancellation £4,000 per person). | Unlimited medical expenses  Cancellation £5000  Personal liability £2m  Kidnap/ransom £15,000  Political evacuation £50,000  Personal money £1000  Personal property £2,500  Delay up to £150 |
| **Public liability**  For all sums the school may become legally liable to pay  (including claimants’ costs and expenses) as damages  in respect of accidental third party injury or damage to third party property | **Unlimited** | £50,000,000. Limit |
| **Employers’ liability**  All sums the school may become legally liable to pay  (including claimants’ costs and expenses) following death,  injury or disease sustained by employees and arising out  of and in the course of their employment by the school | **Unlimited** | £50,000,000. Limit of indemnity |
| **Governors’ liability including Trustees** | £10,000,000 Limit of indemnity | £50,000,000. Limit of indemnity |
| **Professional indemnity**  Actual or alleged breach of professional duty. For  example, required for members of staff who perform  OFSTED inspections | Unlimited | £10,000,000 Limit of indemnity |
| **Libel and slander**  In the event you are sued for comments made verbally  or in writing including via social media | Not covered | £10,000,000 |
| **Employee and third party dishonesty**  Direct pecuniary loss due to the dishonesty of school  employees and/or theft of money by computer fraud | £500,000 | £500,000 |
| **Third Party Hirer’s Liability** | Unlimited | £10,000,000 |
| **Risk Management Services:**  **Fire and Security Surveys**  Fire and security surveys are designed to help identify risk improvement measures  and are critical to help prevent a major fire loss.  **Property Valuation** | Not available | Insurer provides Fire and Security Surveys.  The Council carries out property valuations every 5 years to ensure adequate insurance cover. |