

<b>Board Office Use: Legislative File Info.</b>	
File ID Number	16-1377
Introduction Date	6-22-16
Enactment Number	16-0943
Enactment Date	6-22-16



# Memo

**To** Board of Education

**From** Vernon Hal, Senior Business Officer  
Ruth Alahydoian, Chief Financial Officer  
Rebecca Cingolani, Risk Management Officer

**Date** June 22, 2016

**Subject** **CATASTROPHIC ACCIDENT INSURANCE FOR STUDENTS - PREMIUM PAYMENT - FISCAL YEAR 2016-2017 - RISK MANAGEMENT**

**Action Requested** Approval by the Board of Education of payment of premium, Fiscal Year 2016-2017, for Catastrophic Accident Insurance for Students, underwritten by ACE American Insurance Company (a CHUBB Company), to Myers-Stevens & Toohy & Company, Inc., Mission Viejo, CA, (Broker), for Classes I and II not to exceed a cumulative cost of \$47,824.30.

**Background** Myers-Stevens & Toohy & Company Inc. has arranged Catastrophic Accident Insurance coverage (underwritten by ACE American Insurance Company - a CHUBB company) at a cost of \$8,524.80 (for Class I) and \$39,299.50 (for Class II).

Unfortunately there are inherent risks of serious or even fatal injuries to students while participating in school sponsored activities, including playing sports, participating in field trips, or even simply being on campus during an act of violence. Providing Catastrophic Accident coverage can help seriously injured students and families ease their financial concerns and provide access to the care they need, while promoting healing of the community as a whole. For the District, providing this type of coverage can help reduce any potential liability cost.

Catastrophic Accident Insurance provides a \$1,000,000 Accident Medical Maximum with a 10 year benefit period from the time of the accident. In addition, there is up to \$500,000 in additional monies for assistance (depending on the severity of the injury). The plan also includes \$50,000 for Crisis Management to assist in providing counseling or other care the District deems is necessary for students and staff.

Class I and Class II options would provide coverage for families where their student's injuries exhaust the limits of coverage available under Basic Student Accident Insurance.

Class I covers all student athletes, student managers, student trainers, student coaches, cheerleaders, majorettes and band members who participate in school sponsored and supervised interscholastic athletic activities.

Class II covers all students, from pre-kindergarten through the twelfth (12<sup>th</sup>) grade while they are attending regular schedule classes and taking part in all school sponsored and directly supervised activities, including official school to work activities, ROTC programs, and off-season athletic training and conditioning



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activities, ROTC programs, and off-season athletic training and conditioning (except for interscholastic athletics).

Providing this type of catastrophic accident insurance aligns with the OUSD Mission of a "Full Service Community District".

## **Discussion**

Currently there is no District provided insurance for students injured during school, school sponsored activities (including field trips) or interscholastic athletic activities, including Oakland Athletic League activities or Middle School Sports League activities. State law (EC 35330) and District policy (AR 6153) require that school districts conducting field trips or excursions provide or make available medical and/or hospital service for students injured while participating in field trips or excursions. Both state law (EC 32221) and District policy (AR 6153) also require that students participating in certain high risk activities, including but not limited to interscholastic athletic activities have insurance coverage. Further, both law and District policy AR 6153 provide that students may not legally be excluded from activities due to an inability to pay.

In the past, District Risk Management funds were used to fund a limited accident insurance program. However, those policies have expired and most families have not purchased student accident insurance which has been made available by the District.

The coverage offered by Myers-Stevens & Toohy & Company Inc. is a low per pupil cost and is more comprehensive, providing coverage to students for injuries that occur during school hours and days when school is in session and while attending or participating in school sponsored and supervised activities on or off school premises. In addition, the coverage includes tackle football as well all school sponsored interscholastic sports.

This school year, the District has expanded opportunities for students to participate in work based learning off site and for all middle school students to participate in interscholastic athletic activities with the inception of the District's Middle School Sports League. These are exciting opportunities for students, however they carry increased risk of injuries to students, some of which could result in significant costs for medical treatment.

There is also growing concern related to certain playground and sports injuries such as head injuries and concussions and this coverage would provide a significant benefit to families of students suffering those or other serious or fatal injuries and could decrease government code claims filed by families who cannot afford medical expenses.

Both the District and our families with children hit most hard by serious injuries would be better served by the assurance of this expanded accident insurance coverage to ease the difficulties posed by serious injuries .Requiring families who do not have medical insurance to pay for



accident insurance can pose a significant bar to participation or financial hardship for many of our families. This is also out of step with changes in the law generally prohibiting pupil fees in public schools and with our mission to serve the whole child, including facilitating access to healthcare and eliminating inequity. This coverage would significantly benefit our students while enabling the District to comply with its legal and policy requirements at a low per pupil cost.

**Recommendation**

Approval by the Board of Education of payment of premium, Fiscal Year 2016-2017, for Catastrophic Accident Insurance for Students, underwritten by ACE American Insurance Company (a CHUBB Company), to Myers-Stevens & Toohey & Company, Inc., Mission Viejo, CA, (Broker), for Classes I and II not to exceed a cumulative cost of \$47,824.30.

**Fiscal Impact**

\$8,524.80 (for Class I) and \$39,299.50 (for Class II) - total of \$47,824.30

**Attachments**

File ID Number: 16-1377  
 Introduction Date: 6-22-16  
 Enactment Number: 16-0943  
 Enactment Date: 6-22-16  
 By: \_\_\_\_\_



Myers-Stevens & Toohy & Co., Inc.  
 26101 Marguerita Parkway  
 Mission Viejo, CA 92692-3203  
 T: 949.348.0656 F: 949.348.2630

**Catastrophic Accident Insurance for Students and Volunteers**

2016-2017 School Year Coverage Request Form

Underwritten by ACE American Insurance Company; Philadelphia, PA 19106

Name of School/District Oakland Unified School District Address 1000 Broadway Suite 680  
 City Oakland St CA Zip 94607 Phone \_\_\_\_\_ Fax \_\_\_\_\_

**Summary:** The program consists of the following benefits:

	OPTION I	OPTION II
Excess Accident Medical Expense (100% of U&C) with 10 year benefit paid up to	\$1,000,000	\$5,000,000
Accident Medical Expense Deductible (waived for Presumptive Disability - see brochure)	\$25,000	\$25,000
Accidental Death and Dismemberment - principal sum	\$25,000	\$50,000
Double Dismemberment	\$50,000	\$100,000
Catastrophic Losses payable in addition to accident medical benefits up to	\$500,000	\$1,000,000
Seatbelt and Airbag - 10% of principal sum up to	\$5,000	\$5,000
Crisis Management Benefit	\$50,000	\$100,000

**Coverages Available:**

**Class I - Interscholastic Athletics**

Covers students while participating in school sponsored and directly supervised games and official practice sessions of interscholastic sports and supporting activities (band, cheerleaders, majorettes, student coaches, student trainers, and student managers) and while traveling directly and without interruption between school and the site of such activities, provided that such travel is arranged by and is at the direction of the school

**Class II - Student Activities**

Covers students while on premises when school is in session and while participating in school sponsored and directly supervised activities (except interscholastic athletics), and while traveling directly and without interruption between school and the site of such activities, provided that such travel is arranged by and is at the direction of the school, and while traveling directly and without interruption between home and school to attend regularly scheduled classes (includes one hour immediately before and after regularly scheduled classes).

**Class III - Religious Education Activities**

Covers elementary level students while attending church or school sponsored and directly supervised religious education activities and while traveling directly and without interruption between the school and the site.

**Class IV - Youth Ministry Activities**

Covers students while attending church or school sponsored and directly supervised youth ministry activities and while traveling directly and without interruption between the school and the site of such activities, provided that such travel is arranged by and is at the direction of the school

**Class V - Adult/Parent Volunteers**

Covers adult/parent volunteers while participating as a school volunteer in any school sponsored activity, and while traveling, as a volunteer, directly and without interruption between school and the site of such activities, provided that such travel is arranged by and is at the direction of the school.

**Class VI - Summer Sports and Conditioning**

Covers students while participating in school sponsored and directly supervised sports and conditioning activities conducted during the summer, and while traveling directly and without interruption between school and the site of such activities, provided such travel is arranged by and is at the direction of the school

**Premium Computation:**

CHOOSE: Class(es) and Option(s):	OPTION I \$1,000,000 MAX	OPTION II \$5,000,000 MAX
Class I - Interscholastic Athletics (All interscholastic athletes and non-competing participants)	2,304 # Participants x \$3.70 = \$8,524.80	# Participants x \$5.67 = _____
Class II - Student Activities (All students enrolled in school/district)	37,075 # Participants x \$1.06 = \$39,299.50	# Participants x \$1.88 = _____
Class III - Religious Education Activities (All students enrolled in Religious Education Program)	# Participants x \$0.57 = _____	# Participants x \$0.89 = _____
Class IV - Youth Ministry Activities (All students enrolled in Youth Ministry Program)	# Participants x \$1.09 = _____	# Participants x \$1.72 = _____
Class V - Adult/Parent Volunteers (Use 10% of total school enrollment for # of Volunteers)	# Participants x \$0.46 = _____	N/A
Class VI - Summer Sports and Conditioning (All Participants)	# Participants x \$1.09 = _____	N/A

MINIMUM PREMIUM ALLOWED: \$350

Total Premium Due = \$47,824.30

Effective date of this coverage will be the first day of school and/or the first official day of interscholastic athletics practice (if applicable), or the date the Coverage Request Form and premium are received by Myers-Stevens & Toohy & Co., Inc., whichever is later.

Coverage Effective Date: July 1st, 2016 to July 1st, 2017

We hereby request a Catastrophic Accident Insurance Policy. We understand that insurance will be in force if this Coverage Request Form is accepted by the Company and the required premium is received by the Company when due.

Name of person authorized to contract for the School/District \_\_\_\_\_ Title \_\_\_\_\_

Signature James Harris Date 6/22/16

Title \_\_\_\_\_  
 Signature Antwan Wilson Date 6/22/16

Coverage Request Form must be completed in its entirety and received by MYERS-STEVENS & TOOHEY & CO., INC. prior to the effective date required.

President, Board of Education

Antwan Wilson  
 Secretary, Board of Education

# Catastrophic Accident Insurance

2016-2017



## Underwritten by:

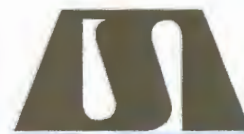
### ACE American Insurance Company

2015 Best rated A++ (Superior)

(A.M. Best Rating ranges from A+++ to D)

This rating is an indication of the company's financial strength and ability to meet obligations to its insureds.

## Plans arranged and administered by:



myers | stevens | toohey

(800) 827-4695

[www.myers-stevens.com](http://www.myers-stevens.com)

### Mission Viejo

26101 Marguerite Parkway  
Mission Viejo, California 92692

### Roseville

9075 Foothills Blvd. #4  
Roseville, CA 95747  
CA License #0425842

## Even with the best of precautions...

Students may still sustain serious or fatal injuries while going to school, playing sports, attending field trips, or simply being in class. Traumatic brain injuries, coma, paralysis, and loss of life are examples of the catastrophic losses that can occur. Such injuries typically come with medical bills and other expenses that far exceed those associated with injuries that are not life altering.

By providing Catastrophic Injury Coverage, schools and districts can help seriously injured students and families ease their financial concerns. In addition, Catastrophic Injury Coverage allows students and families to access the care they need, reduce potential liability costs for the school or district, provide for final expenses when needed and promote healing of the community as a whole.

## Catastrophic accidents do not limit themselves to sports

Many governing bodies for sports already require member schools to carry a catastrophic injury policy for athletics and a number of school property and casualty pools and consortiums have followed suit.

The need for catastrophic coverage is clear and although they are most commonly associated with athletic participation, these injuries are not relegated to sports activities alone. The transportation of students, specialized electives, physical education, natural disasters and on-campus violence are just a few examples of how these injuries can occur in areas other than the playing field.

## No one likes to talk about it

On-campus violence is an issue that cannot be ignored. Violent acts on campus don't affect just those directly involved, but the community as a whole. If a student is killed as a result of criminal violence while participating in a covered activity, the Crisis Management Benefit can provide additional funds to help the school or district deal with the aftermath as best fits their needs (i.e. counseling for staff and students, additional security measures, etc.)

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## CATASTROPHIC COVERAGE OPTIONS

### Eligibility

All enrolled students and volunteers of the participating School/District.

OPTION I: \$1,000,000 Maximum Accident Medical

OPTION II: \$5,000,000 Maximum Accident Medical

### Coverage

#### **Class I - Interscholastic Athletics/Activities Coverage**

All student athletes, student managers, student trainers, student coaches, cheerleaders, majorettes and band members who participate in school sponsored and supervised interscholastic athletic activities.

#### **Class II - Student Activities Coverage**

All students, from pre-kindergarten through the twelfth (12th) grade while they are attending regularly scheduled classes and taking part in all school sponsored and directly supervised activities, including official school-to-work activities, ROTC programs, and off-season athletic training and conditioning, except interscholastic athletics.

#### **Class III - Religious Education Activities Coverage**

All students attending church or school sponsored and supervised elementary level religious education activities.

#### **Class IV - Youth Ministry Activities Coverage**

All students attending church or school sponsored and supervised Youth Ministry religious education activities.

#### **Class V - Adult/Parent Volunteers Coverage**

All adult/parent volunteers participating in any sponsored activity.

#### **Class VI - Summer Sports and Conditioning**

All students who participate in school sponsored and supervised sports and conditioning activities during the summer period.



## PROGRAM COMPONENTS

### 1. Accident Medical Expense Benefits \$1,000,000 / \$5,000,000 Accident Medical Maximum

Medical expenses will be paid for Usual and Customary charges for expenses incurred for Medical and Dental Services, with limits of \$1,000,000 or \$5,000,000 depending upon the option selected. The first expense must be incurred within 180 days after the date of the Covered Accident. After a \$25,000 deductible\* is satisfied, benefits will be paid for covered expenses incurred up to 10 years from the date of the Covered Accident. The expenses to satisfy the deductible must be incurred within two years after the date of the Covered Accident.

\*The deductible will be waived for certain conditions: the Insured dies within 30 days as a result of a Covered Accident, complete and irrecoverable loss of sight of both eyes, or of any two limbs, hands or feet, or total and irreversible paralysis of any two limbs which is the result of a covered injury to the spinal cord, coma or brain death.

### 2. Catastrophic Cash Benefit \$500,000/\$1,000,000 Cash Benefit Maximum

If, as a result of a covered Injury, an Insured suffers Paralysis, Coma, or Brain Death, benefits for each Covered Accident will be paid as indicated in the Table of Losses. Paralysis, Coma, or Brain Death must occur within 180 days from the date of the covered Accident, continue for 6 consecutive months, and have a prognosis that such loss will be permanent. If the Insured incurs more than one loss as the result of the same covered Accident we will only pay one benefit, the largest, for which the Insured Person is covered. In no event will the amount paid exceed the Catastrophic Cash Maximum Amount selected in the application.

**Benefits are payable in addition to the Accident Medical Expense Benefit.**

TABLE OF LOSSES	% OF MAXIMUM BENEFIT AMOUNT
Coma.....	100%
Brain Death .....	100%
Paralysis of: Two or more Upper and/or Lower Limbs .....	100%
One Lower Limb or One Upper Limb .....	50%

A lump sum payment equal to 20% of the Maximum Benefit Amount will be paid after 6 months, thereafter a monthly benefit will be paid for up to 10 years.

### 3. Accidental Death and Dismemberment, Loss of Sight, Speech and Hearing Benefits

If injury to the Insured shall result, within 180 days from the date of the Covered Accident, in any one of the losses specified below, the Company will pay the Benefit indicated. The following benefits are paid in addition to the Accident Medical Expense Benefit. If more than one of such specified losses shall result from the same covered Accident, only one amount, the largest, shall be paid.

	% OF PRINCIPAL SUM
Loss of life .....	100%
Loss of one hand, one foot, sight in one eye, speech or hearing.....	40%
Loss of both hands, both feet, sight in both eyes, speech or hearing ....	200%
Loss of thumb and index finger of the same hand.....	20%
Heart or circulatory malfunction death benefit.....	100%**

OPTION I: AD & D Principal Sum is \$25,000  
 OPTION II: AD & D Principal Sum is \$50,000

**\*\*Payable for Loss of Life due to Heart, Circulatory or Pulmonary Malfunction that occurs within 72 hours of participation in a covered activity that is causally connected to such Malfunction.**

"Loss" means, with regard to hands and feet, actual severance above the wrist or ankle joint, with regard to sight, speech or hearing the total and irrevocable loss thereof. Loss means, with regard to thumb and index finger of the same hand, complete Severance through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand). "Heart and Circulatory Malfunction" means myocardial infarction, angina pectoris, coronary thrombosis, cardiac arrest or a cerebral vascular accident. "Pulmonary Malfunction" means failure of the lungs to operate in the normal manner.

### 4. Crisis Management Benefit \$50,000/\$100,000 Crisis Management Maximum

If a student is killed as a result of criminal violence while participating in a Covered Activity sponsored and supervised by the School or school district, we will pay the Crisis Management Benefit shown in the Schedule of Benefits to the School or school district involved to help them access the counseling and other care they deem is needed by the student body and staff. The Covered Activity includes a time period of one half hour before the first scheduled period of instruction or Covered Activity, and ends one half hour after the last scheduled period of instruction or Covered Activity.

### 5. Seatbelt and Airbag Benefit

If the Insured dies directly and independently of all other causes from a Covered Accident while wearing a seatbelt and operating or riding as a passenger in an Automobile, the Company will pay a benefit of 10% of the Principal Sum, up to \$5,000. An additional benefit will be paid, if the Insured was also positioned in a seat protected by a properly-functioning and properly deployed Supplemental Restraint System (Airbag). Verification of proper use of the seatbelt at the time of the Covered Accident and that the Supplemental Restraint System properly inflated upon impact must be a part of an official police report of the Covered Accident or be certified, in writing, by the investigating officer(s) and submitted with the Insured's claim to the Company. In the case of a child, seatbelt means a child restraint, as required by state law and approved by the National Highway Traffic Safety Administration, properly secured and being used as recommended by its manufacturer for children of like age and weight at the time of the Covered Accident.

## ADDITIONAL OPTIONAL BENEFITS

### Cosmetic Disfigurement from Burns Benefit

If, as a result of a Covered Injury, an Insured suffers third or fourth degree burns in one or more areas of the body, benefits will be paid as determined by the formula specified in the policy, up to a maximum benefit of \$150,000.

### Special Adaptation Expense Benefit

If an Insured suffers a "presumptive disability" from a covered Accident and requires a special housing adaptation or a special vehicle to accommodate the disability, benefits will be paid up to \$75,000 for the housing adaptation and/or up to \$75,000 for the special vehicle.

Benefits are not payable unless the Insured's physician certifies them as necessary.

"Presumptive Disability" means the complete and irrecoverable loss of sight of both eyes, speech, hearing in both ears, or of any two limbs, hands or feet, provided the loss occurs within one year of the Covered Accident.

"Vehicle" means a private passenger land motor vehicle. It includes automobiles, vans, and four wheel drive vehicles. It does not include a vehicle used for farming, commercial business, racing or any type of competitive speed event.

### Traumatic Brain Deficit Benefit

If an Insured suffers an injury to the brain which 1) occurs, and is diagnosed by a Doctor; 2) results in measurable, neurological deficit persisting for the lesser of at least 12 consecutive months or the time at which maximum recovery has been reached; 3) requires permanent daily personal supervision; and 4) results in the inability of the Insured to perform independently three or more of the following activities of daily living: a) transferring (moving in or out of a bed or chair); b) dressing; c) bathing; d) feeding; e) toileting; or f) continence, benefits will be paid up to a maximum of \$250,000.

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## EXCLUSIONS

Benefits are not paid for any loss or Injury that is caused by, or results from:

- Intentionally self-inflicted Injury, suicide or attempted suicide; committing or attempting to commit a felony;
- Injury or loss sustained due to the use of alcohol or drugs, unless administered by a Physician.
- Any injury that is caused by: (a) Flight in, boarding or alighting from an Aircraft, except as a fare-paying passenger; (b) Parachuting, skydiving, parasailing, hang-gliding; (c) Travel in or on any off-road motorized vehicle not requiring licensing as a motor vehicle; (d) An Accident if the Insured is the operator of a motor vehicle and does not possess a valid motor vehicle operator's license, except while participating in Driver's Education Program.
- War or any act of war, whether declared or not.
- Commission of or active participation in a riot or insurrection.
- Sickness, disease, bodily or mental infirmity, bacterial or viral infection or medical or viral infection or medical or surgical Treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food.
- Treatment by persons employed or retained by a Participating Organization, or by any Immediate Family or member of the Insured's household.
- Injury covered by Workers' Compensation.
- Expenses payable by any automobile insurance policy without regard to fault. (This exclusion does not apply in any state where prohibited).
- Covered medical expenses for which the Insured would not be responsible for in the absence of the Policy.
- Cosmetic surgery, except for reconstructive surgery needed as the result of an Injury.
- Eyeglasses, contact lenses, hearing aids, repair or replacement of them, examinations or prescriptions for them, except for an Injury to the eye or ear while coverage is in effect.
- Injury or death caused while riding in or on, entering into or alighting from, or being struck by a 2 or 3-wheeled motor vehicle.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit Us from providing insurance, including but not limited to, the payment of claims.

Facility of Payment: Whenever payments that should have been made under the Policy are made by any other policy, the Company reserves the right, at their sole discretion, to pay over to any plan making such other payments, any amounts the Company determines are warranted in order to satisfy the intent of this provision. The amounts paid are considered benefits paid under the Policy and, to the extent of such payments, the Company shall be fully discharged from liability under the Policy. In no event will the Company pay more than the benefits payable under the Policy for all policies providing the same or similar benefits issued to the Policyholder and underwritten by the Company.

This brochure is a brief description of the important features of the insurance plan. It is not a contract of insurance. The terms and conditions of coverage are set forth in the policies issued in the states in which the policy is delivered under form AH-29600. Complete details may be found in the Policies on file at your School or district office. Certain provisions may be different if required by state law. Please keep this information as a reference.