

On the Off Chance: The Importance of Risk Transfer



When a quarterback hands off the ball to a running back, he's doing more than attempting to gain yards for his team.

Suddenly, hulking members of the defensive line switch their focus from him to bringing down the ball-carrier instead.

reciprocal's risk transfer professionals work to offset potential losses and claims costs by helping members use indemnification language and insurance

certificates to shift exposure to other insurers. Some of the risk transfer services offered to subscribers by NYSIR include reviews of insurance compliance and service contracts, with transfers often involving contractors, transportation providers and facility use by outside organizations.

The Next NYSIR
Symposium

It Could Happen
to You

While the term may not be found in a coach's playbook, risk transfer is extremely vital for businesses and other entities, especially school districts that prefer not to get tackled by a lawsuit.

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THE IMPORTANCE OF RISK TRANSFER... CONTINUED

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“Risk transfer is important because it puts protections in place to defend districts and BOCES from potential loss induced by outside sources,” says Joyce Moore, risk transfer supervisor for NYSIR. “It stabilizes premiums and keeps the district running smoothly. The bottom line is, it’s my job to protect the district, protect the students and protect NYSIR, and risk transfer is the way to do that.”

DOING SOMETHING CONSTRUCTIVE

According to Moore, construction on school grounds is an issue that requires some of the most attention from a risk management perspective. After a district submits information about construction contractors bidding on a project, including

the insurance they carry, the risk transfer team at NYSIR undertakes a review of the relevant documents. Key information analyzed by the reciprocal includes compliance with guiding insurance specifications, construction timelines,

direction from the hiring district and more. If any of those particulars fail to meet standard requirements, the risk management team will share potential vulnerabilities should a condition be waived, and otherwise help the subscriber make an informed decision about the contractor.

Additionally, NYSIR works with districts and BOCES to vet contractors in areas such as Occupational Safety and Health

Administration citations, serious workplace incidents, wage or other litigation and sexual harassment policy and training certification.

Another aspect of school operations that routinely should involve risk transfer is the use of district facilities by outside organizations. The process begins when a district or BOCES receives a facility-use request along with a certificate of insurance and other supporting documentation, which needs to be evaluated by a school official such as Lori Speight, facilities coordinator for the Scarsdale Union Free School District (UFSD) Buildings and Grounds Department.

“You have to be very detail-oriented to keep track of everything because there are many items that are required for outside users to work with districts,” she says. “It’s a very time-consuming process, and that’s all before submitting everything to NYSIR to get their opinion.”

Some of the information that needs to be shared with districts, and then the NYSIR risk transfer team, includes additional-insured endorsements for general liability coverage, additional-insured and primary endorsements for auto and umbrella coverages, subrogation waivers on all coverage parts and details about New York State Workers’ Compensation/Disability. The process of moving those documents along to NYSIR recently became easier

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THE IMPORTANCE OF RISK TRANSFER... CONTINUED

with the reciprocal's creation of a dedicated email address, risktransfer@nysir.org. Once the information is received, it will be reviewed and assigned to a member of NYSIR's risk transfer team for analysis and follow-up.

"The final decision on whether or not to accept the insurance is the district's," adds Speight. "But we always use NYSIR as a resource for opinions and recommendations about what our district needs to have from outside groups in each instance."

FOR YOUR INFORMATION

Marie Donnelly, assistant superintendent for finance and personnel at Hewlett-

Woodmere UFSD, is another district professional who works closely with the NYSIR risk transfer team to make sure vendors provide her district with each piece of necessary information. She says that often requires some back-and-forth with vendors to obtain needed corrections or updates to make sure their coverages are in compliance.

"Using our NYSIR colleagues to review certificates before we finalize contracts puts the district in a better position to reduce the amount of risk that could be placed on us should a situation go awry," says Donnelly. "I'm not sure if other insurance vendors that manage school district lines

of insurance provide this level of service, but I have found it to be invaluable."

And as every school official knows, a situation is bound to go awry every so often.

A few years ago, for instance, multiple children were injured, including one who suffered a broken leg, when an inflatable slide provided by a party rental business tipped over during a field day for elementary school students in a New York district. Indemnification in an incident such as that one is important, especially when, according to news reports, the vendor in that situation appeared to accuse the district of negligence by not hiring an attendant, while some parents at the scene said they were concerned the slide was not properly secured by the vendor.

"Our district receives requests quite often for bounce houses, and I use the inflatable slide incident as an example of a situation we do not want to be in," says Donnelly. "One where injuries to students occur and the district is at risk of being sued."

RISK TRANSFER: DON'T PASS ON IT

While there certainly are a lot of details that districts need to put together a strong defense using risk transfer, their first play out of the huddle is an easy one – a visit to the reciprocal's online Risk Transfer Center, found at nysir.org/risk-transfer-center. It offers subscribers various lists of insurance specs, sample insurance certificates and agreements, a risk transfer manual, seminars and webinars, FAQ sheets and other related forms.

And of course, the quarterback is always available for a call. Hike!

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Next NYSIR Symposium Covers Property, Building Maintenance

NYSIR symposiums have a reputation for dealing with risk management issues of concern to schools, but this year's offering promises to cover a lot of ground – literally.

The 2024 symposium, *Inside Out: Effective School Building Management and Property Conservation*, is designed to help attendees defend buildings and grounds

a report by the U.S. Government Accountability Office, data from the Federal Emergency Management Agency (FEMA) reveals that 54% of U.S. public

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NYSIR PRESENTS AN EXCLUSIVE NO-COST SYMPOSIUM
FOR FACILITY DIRECTORS AND SENIOR ADMINISTRATION.

Inside Out: Effective School Building Management and Property Conservation

from weather events and other elements through loss mitigation technology, proactive equipment maintenance, property protection programs and more. The program will be delivered in two different locations at two different times – first at the DoubleTree Hotel in Syracuse on July 23, and then at the Westchester Marriott in Tarrytown on Aug. 1. That edition also will be livestreamed.

The need for schools to take necessary precautions to prevent weather-related damage has never been greater. According to

schools and 67% of all U.S. public school students are in counties that experienced major disasters between 2017 and 2019. Additionally, districts along the East Coast were more likely to have received a FEMA disaster recovery grant than schools in most other areas.

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CLIMATE: NO SMALL CHANGE

“Many property exposure losses are the result of Mother Nature, and in the past few years we’ve heard how climate change and other factors are starting

“We’re seeing conductive storms that have caused flooding in areas that haven’t experienced it before, and there are problems such as intense wind and extremely cold temperatures that can cause a lot of damage.”

to create differences in weather,” says Brett Carruthers, director of risk manage-

ment at NYSIR. “We’re seeing conductive storms that have caused flooding in areas that haven’t experienced it before, and there are problems such as intense wind and extremely cold temperatures that can cause a lot of damage.

“Our country has an aging infrastructure, and that includes school buildings. Probably two-thirds of NYSIR subscriber buildings were built in the ‘50s and are now pushing 75 years old,” says Carruthers. “Our members have done a good job investing capital and keeping up on maintenance, but wear and tear and breakdown create issues.

It’s important that we be able to control those losses, and this year’s symposium is a great way for school officials to learn how to do just that.”

The symposium program will begin with a talk about how climate is impacting public school buildings and grounds. It will be delivered at the Syracuse event by Kieran Bhatia, a catastrophe risk analyst from global risk and reinsurance specialist company Guy Carpenter, while similar remarks will be given at the Tarrytown event by Bryan Wood, senior catastrophe risk analyst at MunichRe Specialty Insurance.

Next will be a presentation called “Innovative Solutions to Property Protection,” given by Adam Care, client innovation and solution leader for The Hartford Steam Boiler Inspection and Insurance Company. The last remarks

of the morning will come from Ben Hauser, general manager of insurance partnerships for the software platform HELIXintel, who will lead attendees through the process of creating a proactive equipment maintenance program.

“HELIXintel’s building and equipment management software platform is great not only for tracking work orders, but the status of mission-critical equipment such as boilers, HVAC units, emergency power generators and other high-end equipment, which are essential to the operation of our schools,” says Carruthers.

RESILIENCE FOR ALL SEASONS

After a luncheon, Carruthers will join Property Loss Control Expert Maurice Marvi from MunichRe Specialty Insurance to give a presentation called “Property Protection and the School Calendar.” That will be followed by Keith Langlotz, director of facilities for Williamsville Central School District, who will talk about how schools can build a resilient property protection program. The symposium will close with an overview of NYSIR’s property conservation program and a Q&A session.

Symposium events are free, but registration is required. Those interested in the July 23 Syracuse program should email Brett Carruthers at bcarruthers@nysir.org with

Continued on back page.

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Education.

It's a complicated enterprise. Faculty. Staff. Students. Supplies. Transportation. Buildings and grounds. With seemingly a thousand things demanding attention all at once, risk management is bound to slip to the bottom of the list every once in a while, right? Here's why it shouldn't, and why it's important to remember...

It Could Happen to You.

When a worker from a construction company hired by one NYSIR subscriber fell from a ladder, would it be the school district left feeling the heat of a multi-million-dollar lawsuit?

With students on vacation and temperatures warm, summer is a great time for schools to tackle building maintenance projects. But when a worker from a construction company hired by one NYSIR subscriber fell from a ladder, would it be the school district left feeling the heat of a multi-million-dollar lawsuit?

An employee of a contractor hired by the district to perform work on a rooftop was using an extension ladder to descend from one roof to another when the base of the ladder slid, causing him to fall. The worker was transported to a hospital with reported

injuries to his right ribs, left leg, head, neck, hips, left hand, feet, left ankle, left arm, shoulders and lower back. He subsequently filed a \$15 million suit against the district, alleging it was negligent in failing to provide proper protection and a safe work environment – in violation of state labor law and other statutes – and had actual or constructive notice of dangerous and defective conditions on the work site.

GOING THROUGH THE (P)ROOF

During interviews conducted by NYSIR defense investigators,

the assistant superintendent of business stated his office received no complaints about safety issues at the construction site prior to the fall. Additionally, district employees attended weekly construction meetings with various personnel, and no safety issues were ever mentioned.

The school's head custodian also was interviewed by investigators and said a foreman at the scene, who he believed was from the construction company, advised him that the worker who fell would be all right. And the district's chief custodian stated that after arriving at the scene of the incident, he observed the plaintiff being treated by emergency medical technicians in an area far away from the building, which raised the question of whether the injured worker



was able to walk that distance despite his injuries or if he required assistance. An incident report prepared by the construction management company also stated the worker walked unaided a few hundred feet to his car after the fall.

The report noted, as well, that the worker said he felt dizzy before falling from the roof. No district employees were

the district. The head custodian for the school also stated that neither he, nor the four other custodians working inside the building at the time of the incident, loaned any tools or other equipment to the plaintiff or any other worker.

While it appeared no construction materials passed between the district and construction company, there was another instrument

that the two entities did exchange that proved very beneficial for the district. Before construction began, the NYSIR district worked with the construction company to make sure it was named as an additional insured on the company's primary and excess insurance policies. The contract with the construction company also included a hold-harmless agreement, protecting the district against all claims and losses caused by actions of the contractor.

Attorneys for the district submitted a letter to the construction company's insurance carrier citing the school's additional insured status and indemnifica-

tion, and in short order a response was received acknowledging both, effectively taking the district off the hook for any potential damages.

THE LESSON?

Whether it's working on a roof or completing a risk transfer agreement, the goal is the same: making sure your schools are safely covered.

identified as witnesses to the incident, and no video footage of it existed.

TAKING THE FALL?

The assistant superintendent of business for the school also stated that the district supplied no manpower, supervision, materials or equipment at the job site, making special note of the fact that the ladder in question was not owned by



THE NEXT NYSIR SYMPOSIUM... CONTINUED

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the names of attendees and their school district or entity name. The registration deadline is July 15. For the Tarrytown event, attendee names, the district or entity name and attendance choice (in-person or online) should be emailed to Krystel Allen at kallen@nysir.org by July 22. Check-in will take place along with a continental breakfast for each event between 7 and 7:45 a.m.

Event attendees are responsible for their own hotel accommodations. Group-rate rooms are available, and reservations can be made at the DoubleTree in Syracuse for the July 23 event by calling (315) 432-0200; those interested in the Aug. 1

event in Tarrytown can call the Westchester Marriott at 1-800-882-1042.

Attendee professionals interested in earning 6.5 hours of CTLE credit can obtain a form at the event or at nysir.org.

The symposium is part of the NYSIR

President's Initiative, which also includes a property conservation manual for facility directors, a variety of seminars, Risk Management Central materials and several courses offered through NYSIR Online University. Past NYSIR symposiums have covered topics such as fighting school violence, preventing child sexual abuse and creating a safer environment for student athletes.

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