

Chubb Scholastic Advantage™ Educators Legal Liability

CHUBB®



Chubb recognizes that the responsibilities of those who oversee the activities of educational institutions and their charges are growing more and more complex. Their management and professional liability insurance program should reflect this. Using our underwriting expertise in the directors and officers, professional liability and employment practices liability (EPL) arenas, Chubb offers a hybrid policy that provides comprehensive coverage to address the exposures created by the day-to-day operations of school districts, private schools and higher education institutions.

Key Features

- **Distinct and Identifiable Coverage Grants for Management Liability, Professional Liability and Employment Practices Liability**
 - Unlike most Educators Legal Liability (ELL) policies in the market, the Chubb Scholastic Advantage™ policy provides specific coverage for educational institutions' management liability exposures, including first dollar protection for non-indemnifiable claims
- Professional liability coverage extends to employed lawyers
- **Modified Defense Outside the Limits Provision**
 - A defense sidecar for claims expenses equal to the policy aggregate; claims expenses do not erode the policy aggregate limit until the sidecar is fully eroded
- **Broad Definition of "Damages"**
 - Punitive and exemplary damages (where allowed)
 - Front and back pay (EPL coverage)
 - Liquidated damages awarded pursuant to the Age Discrimination in Employment Act and the Equal Pay Act (EPL coverage)
- **Broad Definition of "Insured Educator"**
 - Elected or Appointed members of the board of education or board of regents, executives and employees
 - Commissions, boards and other units under the jurisdiction of the educational institution
 - Student teachers and volunteers providing services on behalf of the public entity
 - Executives and employees acting as directors or officers of 501c(3) non-profit organizations

- **Broad EPL Coverage, including Coverage for Third Party Claims**
 - Wrongful termination, discrimination, harassment and employment-related misrepresentation
 - Mental distress, pain and suffering arising out of a wrongful employment practice
 - Employment-related libel, slander or defamation
 - Third party claims arising out of discrimination or harassment of non-employees by Insured Educator
- **Broad Definition of “Claim”**
 - Includes proceedings by or in association with the Equal Employment Opportunity Commission or similar federal, state or local governmental authorities
- **A Separate Limit for Crisis Management**
 - A separate \$25,000 limit covers expenses incurred by the educational institution to hire a crisis management firm and to disseminate information regarding a specific crisis
- **Coverage for Claims Arising Out of Individual Education Plan (IEP)/ Special Needs Due Process Hearings**
- **\$25,000 sub-limit for claims expenses arising out of breach of fiduciary duty claims**

Coverage Highlights

- Full Prior Acts coverage
- Duty to Defend policy
- Settlement Provision (50%/50% Claims Expenses)
- Automatic 60-day extended reporting provision with an optional extended reporting provision available for up to three years
- Full application severability for Insured Educators
- Fraud exclusion applies only upon an adverse finding of fact or final adjudication and does not apply to EPL claims
- Optional coverage available for privacy liability

Loss Control and Risk Management Benefits

Chubb recognizes that employers today face a dizzying array of employment laws, regulations and ongoing employment issues. To help our policyholders reduce losses and avoid litigation, Chubb provides EPL policyholders with access to a cutting edge risk management program at no additional cost. The program includes a wide variety of legal content, forms and analysis, combined with the ability to interface directly with nationally recognized employment lawyers dedicated to assisting Chubb insureds.

The Chubb Advantage

- Coverage available on an admitted basis in most states
- Sound claims handling by experienced professionals

Claim Scenarios

The Claimant filed a charge of discrimination with the U.S. Equal Employment Opportunity Commission (EEOC). The Claimant alleged that she was discriminated and retaliated against in violation of the Americans with Disabilities Act (ADA), asserting that she suffered a number of adverse employment actions as a result of her complaints regarding the alleged discrimination. After learning that she was the subject of an “Ethics Investigation,” the Claimant filed a second EEOC charge alleging discrimination and retaliation in response to filing her first charge. The Claimant indicated she intends to seek all remedies available under the ADA and Title VII.

The Claimant filed a complaint alleging the Insured unlawfully subjected him to an unfavorable job reassignment in retaliation for filing an EEOC charge of discrimination in the past. The Claimant alleged that he had lost income and valuable fringe benefits. He contended that he had suffered emotional distress, mental anguish, and damage to his professional reputation. The Claimant sought injunctive relief (instatement), back pay, front pay, compensatory damages, liquidated damages, costs and attorney’s fees in the action.

A complaint was filed by the Claimant against the insured school district with the state’s division of civil rights. The Claimant alleged that the Insured discriminated against her in violation of the Americans with Disabilities Act when she took three months of disability leave due to a work-related injury. She was later scheduled for a disciplinary hearing to be removed from work due to her unavailability to work, and in the alternative, was allowed to resign. The Claimant alleged she was constructively discharged due to her medical leave and the perceived disability.

Contact Us

For more information on Chubb Scholastic Advantage™, please contact your local underwriter or visit www.chubb.com/us/professionalliability.

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