

# VSBIT's Multi-Line Intermunicipal School Program



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TO: VSBIT Multi-line Members

FROM: Don Morrill, Program Manager

RE: International Travel

DATE: January 5, 2005

Over the last few months I have had a number of calls asking about the Program's coverage for, and the Program's views on, international travel by school personnel, volunteers and/or students. In an effort to keep all members informed, I have completed this summary of major coverage issues and have detailed the Program's present underwriting position regarding this exposure.

## **Coverage Issues:**

### *General Liability:*

There is no coverage for lawsuits against your supervisory union/district, its employees or volunteers when brought in jurisdictions *outside* of the United States, its territories and possessions, Puerto Rico and Canada.

Conversely, there is coverage for lawsuits brought in the U.S. and Canada arising out of covered accidents in countries outside of the U.S. and Canada. This coverage limitation is standard in virtually all General Liability policies sold in today's marketplace.

### *Automobile Liability:*

Auto liability coverage is not provided for school operations *outside* the US, its territories and possessions, Puerto Rico and Canada. The most likely non-covered claim is loss arising from the rental of vehicles outside of the coverage territory noted above.

### *Other:*

Coverage *does not* exist for the potential costs incurred when a member of the school's traveling party is kidnapped.

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## Risk Management Solutions:

- Always attempt to use public or commercial transportation when traveling outside the above territories.
- If school employees/volunteers rent vehicles, **always** rent from well known firms and **always** purchase the insurance coverage available through those companies. Otherwise, the district will be without protection for this exposure.

## Insurance Solutions:

*Purchase a foreign liability policy.* This type of policy will cover lawsuits brought against you in jurisdictions not covered by the Program and will; also, cover you when you rent vehicles in those locales not covered by the Program. Many schools do not purchase this type of policy because they either do not have an international exposure, or (more likely) do not feel the risk of loss is great enough to warrant purchasing insurance.

For instance, if a lawsuit is filed in a foreign country and judgment is entered against the district, it would be difficult, but not impossible, for the claimant to enforce that judgment. Obviously, return trips to that country could prove problematic and expensive. If you are interested in obtaining a quote for this coverage, let me know. A typical *minimum* premium is \$2,500.

*Purchase a kidnap and ransom insurance policy.* Typically this type of policy covers most kidnapping related expenses including hostage negotiation fees, lost wages and the ransom amount. We have found that most schools do not often purchase this coverage because they do not feel "it" would happen to them, their students or employees. However, it does happen. If you are interested in the coverage, let me know as I would be happy to quote the coverage.

## What is the Multi-line program's position?

The Multi-Line Program is aware of, and is supportive of, international travel that furthers the educational process. Unfortunately, today's world brings unique dangers to Americans traveling abroad. Given this, please use your usual good judgment when approving travel abroad. If you have any questions about a particular travel destination, its laws and/or insurance requirements, we are always here to help.

Please contact me if you have any questions regarding international travel.