

Indiana Charter School Board

# **INSURANCE REQUIREMENTS**

# **POLICY**

SCHOOL YEAR: 2025-2026

## **General Requirements**

Charter schools authorized by the Indiana Charter School Board (“ICSB”) are required to indemnify ICSB, any related entities, and their respective members, officers, employees, officials and agents.

In addition, charter schools must obtain liability insurance coverage naming ICSB as Additional Insured on a primary, non-contributory basis. New schools must submit a copy of the endorsement reflecting these additions to ICSB no later than May of the calendar year in which the charter school is scheduled to begin instructing students.

All coverage must be obtained from a licensed insurance carrier that is rated “A” or better by A.M. BEST or a comparable rating service. Coverage must be renewed at the frequency determined by the insurance carrier(s) and must remain in effect for the full duration of the charter term.

The tort limit in the state of Indiana is \$5,000,000.

## **Revisions to Insurance Requirements**

The ICSB will periodically review these insurance requirements to ensure they align with industry and state standards. Any changes to these requirements will be communicated to charter schools no later than May 1. Such changes will be required to be implemented by each charter school no later than July 1 of the same calendar year.

## **Minimum Insurance Coverage Requirements (per School)**

Charter schools authorized by the ICSB must obtain the following minimum insurance coverage per school:

- Workers' Compensation Liability: Workers' compensation for all employees as required by Indiana law (Indiana Code § 22-3).
- Commercial General Liability: Commercial general liability in an occurrence form, with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury and property damage liability coverage. Liability coverage shall include the following: all premises and operations, products/completed operations, independent contractors, separation of insureds, defense and contractual liability. Such comprehensive general liability insurance must expressly cover sexual abuse/molestation liability, and medical payments of \$5,000. ICSB must be named as an Additional Insured on a primary, non-contributory basis for any liability arising directly or indirectly from all school business, including school-sanctioned functions that may take place outside of normal school hours. As noted above, a copy of the endorsement reflecting these additions must be submitted to ICSB.
- Educators' Legal Liability (including Directors' and Officers' and Employment Practices Liability): Liability insurance covering the school and its directors and officers from liability claims arising from wrongful acts, errors or omissions with regard to the conduct of their duties related to operation and management of the school with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.
- Automobile Liability: Required when any motor vehicle (whether owned, non-owned or hired) is used in connection with all school business, including school-sanctioned functions that may take place outside of normal school hours, with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage. NOTE: such liability insurance provides coverage for the school only. ICSB strongly encourages schools to establish a policy whereby any school employee who drives a personally-owned vehicle for school-related business (including field trips or conferences) must have personal auto coverage of at least \$100,000, and that all such employees must provide certificates of insurance to keep on file at the school.

- **Umbrella/Excess Liability:** Umbrella or Excess Liability Insurance with limits of not less than \$4,000,000 to provide additional limits for underlying general, automobile, employers' and educators' legal liability.
- **Property Insurance:** Property insurance from an A-rated insurance carrier for full Replacement Cost of property, whether by lease or other agreement, from physical loss or damage. Such insurance shall cover boiler and machinery exposures and business interruption/ extra expense losses. If the charter school is leasing its property, ICSB will accept insurance in the name of either the school or the property owner.
- **Student Accident Coverage:** All Indiana High School Athletic Association schools must include coverage for athletic participation.
- **Employee Dishonesty Liability:** Employee Dishonesty liability insurance in the amount of at least \$250,000 for all school employees. Note that the state of Indiana has specific fidelity bond requirements for certain school employees.
- **Cyber Liability:** Schools may wish to obtain cyber liability insurance, depending upon the school model.
- **Foreign Travel/Field Trip Liability:** Schools may wish to obtain liability insurance covering field trips and/or foreign travel, depending upon the school model.

### **Additional Requirements for Schools Contracting with an Educational Management Organization**

Charter schools authorized by ICSB that enter into a management agreement with an Educational Service Provider (“ESP”) must factor in these additional requirements:

- The service agreement between the charter school and the ESP must require the school to be named as an Additional Insured on the ESP’s liability policies.
- The ESP must obtain liability insurance coverage from an A-rated carrier naming ICSB as an Additional Insured on a primary, non-contributory basis. As noted above, a copy of the endorsement reflecting these additions must be submitted to ICSB.

Workers’ compensation insurance that complies with state law must be carried by whichever entity employs the school’s staff. If both the school and the ESP employ staff, then each entity must carry the appropriate insurance coverage for their respective employees. If the school does not employ any of the staff or administration and does not carry workers’ compensation insurance, then the service agreement between the charter school and the ESP must include a provision to indemnify the school against any liability for workers’ compensation claims.