



Money matters

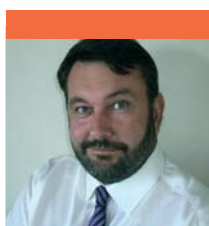
Your questions on any aspect of school finance, answered by the experts. This issue, Patrick Jolley tackles a pair of insurance-related concerns...



I am head of sixth form at an academy in the South East, where we are hoping to organise a trip to Peru for a small group of our current Y12 students, to take place in 2014. Rather than go for a package deal, we would like to sort out the details ourselves – and obviously insurance is an essential consideration.

What are the important elements for us to bear in mind, and should we be encouraging parents to take out personal insurance for their children in addition to the cover we arrange?

A If you are organising a trip independently, you may find that your insurance exposures widen, depending on what elements of the expedition you are taking on yourselves – so you must discuss this with your insurance advisor before proceeding with the arrangements. In addition, we would also recommend you check the Foreign and Commonwealth Office travel website for important information regarding the suitability of travelling to the chosen area. Apart from the liability exposures that should be accommodated within your general school insurance package, and checking that you have not acquired additional 'tour operator' exposures in the organisation of the trip, you will need to consider personal accident and travel insurance. The school can buy an annual policy to cover all trips carried out during the year, where the premium is generally based on the pupil count and you need to provide an overview of the travel pattern for the period. We feel it is advisable for the school to make these arrangements themselves, rather than requesting parents sort out individual cover, in order that in the event of an emergency the school can control the situation through one source, having the comfort of knowing the safeguards are properly in place for every member of the party. Where no such travel policy is in place already, or the existing policy is not wide enough in cover for independently arranged trips, then it is not difficult to arrange cover for particular visits abroad, and generally this can be tailored to suit the specific requirements of both the school and the trip location.



ABOUT THE AUTHOR

PATRICK JOLLEY IS SCHOOLS MANAGER AT LARK (GROUP) LIMITED (LARKINSURANCE.CO.UK). HE HAS WORKED IN THE INSURANCE INDUSTRY FOR THE PAST 26 YEARS, SPECIALISING IN THE EDUCATION SECTOR SINCE 2003. HAVING BEEN A PARENT GOVERNOR FOR MORE THAN 10 YEARS, HE IS NOW A LOCAL AUTHORITY GOVERNOR SUPPORTING HIS LOCAL SECONDARY SCHOOL IN ITS CHANGE TO AN ACADEMY.

DO YOU HAVE A QUERY RELATING TO ANY ASPECT OF YOUR SCHOOL'S BUDGET? SEND IT TO EDITOR@TEACHSECONDARY.COM AND WE'LL PUT IT TO OUR PANEL OF EXPERTS...

Q With the help of my team, I manage the budget for a large academy school in the Birmingham area. Of course, we always allow for illness, accidents and supply cover – however, over the past three years we've seen our costs in this area increase dramatically. For example, there are now three (valued) members of staff with current diagnoses of depression, which can result in relatively frequent and prolonged absences. Is it time to consider taking out insurance to cope with these costs, and if so, will the ongoing conditions of the aforementioned staff members be covered?



A However well you manage your budget, unexpected long term absences can catch you out, particularly when several occur at the same time. Insurance is the obvious answer – either by means of a traditional policy, paying out a daily benefit from the onset of staff absence after allowing for your chosen 'waiting' period (generally three, five or ten days), or by taking out a 'budget protection' policy where you self-insure, running your own budget normally and insuring against exceeding this. The benefit of this latter method is that your premium is very low in comparison to the traditional approach, as you continue to meet the expected normal absence costs from your own budget. The policy protects against an unexpected increase in your staff absence levels, such as in the example given where there are three staff off at the same time, which means that if you deplete your own retained budget before the year end the insurance policy will cover the unexpected overspend.

Generally, policies will not cover staff with ongoing illness (those that have commenced prior to the start of a new policy) and many will exclude pre-existing illnesses for a defined period, such as 12 months, even where the policy has been running for some time. Always ask if pre-existing cover can be given, and don't be afraid to run through examples to ensure you arrange cover that is right for you.