FAQ: Professional Liability Insurance

What is professional liability insurance? Professional liability insurance is a form of liability insurance that protects professionals who give advice and perform services from legal liability that may be incurred within the scope of the routine performance of those duties.

Why would I need it? KASA members who take advantage of our low-cost liability insurance may receive up to $1 million in coverage in addition to any coverage provided by the employing school district. It also includes a provision of up to $10,000 for reimbursement of legal fees when administrators are wrongfully terminated or demoted.

How much does it cost? The cost is $59 per year or partial year, PAYABLE IN LUMP SUM ONLY. (Fee disclosure: Please be advised that the $59 insurance cost represents a $45 premium; $5.27 state tax/fee; and an association administration fee of $8.73.)

When does coverage begin? Coverage begins on the first day of the month after payment is received and expires on June 30 of each calendar year.

What does the policy cover?

Coverage A: Broad Insuring Clause for Liability Exposure*  
A True Professional Liability Policy: Errors and Omissions insurance for claims for damages arising out of a member’s duties as a professional educator, including all defense costs. The occurrence giving rise to such claims is simply defined as an event which results in damages to some other person.

Coverage B: Attorney Fees Reimbursement Clause*  
This coverage provides for reimbursement of attorney fees in a broad range of situations not insured under Coverage A (such as: criminal charges, allegations of sexual misconduct, actions involving dismissal, revocation of certification, investigations conducted by state agencies, and other professional rights and duties.) In some situations, payment of attorney fees is contingent on a favorable outcome of the case.

Coverage C: Provides for Payment of Premium on Bail Bonds*  
*Note: The $59.00 annual premium provides all three of the above coverages.

Does the policy cover corporal punishment? A civil action arising out of a criminal, corporal punishment charge is covered under A. The criminal action itself is covered under B, whether exonerated or not. (see above descriptions of A and B)

Does the policy cover liability during outside activities? As long as the educator is within the scope of his/her professional duties, the policy covers liability for injury to students and others while the educator is conducting visits to industrial and commercial establishments, entertainment centers, outings, picnics, and other similar school functions, subject to specific automobile, watercraft, and aircraft exclusions.

Is there product liability exclusion? No. There is no product liability exclusion. While the serving of food is usually a responsibility of the school, this policy would also provide liability insurance for the furnishing of food in connection with trips, picnics, parties, and similar events.
What does the policy pay?

Coverage A: Up to $1,000,000 per insured per occurrence/$3,000,000 per occurrence, plus the cost of defense, investigation, and legal fees.*

Coverage B: Up to $5,000 per claim per insured coverage for criminal proceedings and/or sexual misconduct, limited to $10,000 aggregate per member per policy year.

Coverage C: Up to $1,000 premium on bail bonds.

*Note: The duty of the insurer to defend extends even to groundless, false, and frivolous suits or accusations.

I am an associate member. Can I purchase KASA’s professional liability insurance? Yes. Associate Members can purchase professional liability insurance and get the same coverage that an Active Member would receive.

(*Student and Emeritus members ineligible)