



# About Your 2022 Policy Updates

For Policies Effective on or After May 1, 2022

*United Educators (UE) remains committed to providing appropriate coverage for our members, while acknowledging society's continued distrust of large institutions that is resulting in lawsuit abuse and steadily growing jury awards.*

At a time when members are facing economic disruption and social challenges because of the ongoing pandemic, claims and defense costs are also increasing at troubling rates.

Unlike commercial carriers that serve many industries, our focus remains exclusively on education. We work in partnership with members to collectively manage

risk through robust enterprise risk management. As UE members, you have access to education-specific risk management resources, including online training, claim studies, assessments, and webinars. Risk Advice consultants also are available to help you develop risk mitigation strategies, at no additional charge.



**Our Cool Head, Warm Heart® philosophy** means we bring a thoughtful, compassionate response to handling claims. Our expert Resolutions professionals focus solely on education claims and work collaboratively with defense counsel and your institution to help achieve the best result for all involved.



We offer some of the **highest limits available for education and its most challenging risks**, including traumatic brain injury and sexual misconduct, providing options that may not otherwise be available in the current insurance market.



When a member institution has high claim frequency or severity, or if there is a significant underwriting exposure, we explore alternatives such as **higher self-insured retentions and deductibles, possible sublimits of certain coverages**.

To fulfill our mission as a captive risk retention group providing vital liability coverage for education at the highest limits possible, we are adapting in measured ways. With a **96% retention rate**, we take a balanced approach to navigating the current severe claims environment. We consider member needs, the necessity to increase premiums and introduce modest revisions to select coverages and benefits, while maintaining an expense ratio of about 18%, well below the typical 30% expense ratio of commercial carriers.

UE has consistently maintained an AM Best rating of "A" (excellent). The ratings reflect UE's strong balance sheet, adequate operating performance, and appropriate risk management practices. AM Best stated that UE's business profile is "favorable due to a strong market position and diversification of risk by region and type of institution." In addition, the rating reflects UE's "dual risk management approach with both quantitative and qualitative methods for risk management."

## Policy Updates

Routine policy updates are part of our member-owned mission to drive robust enterprise risk management. We are pleased to report that, in 2022, we will be making only modest changes to our standard policy forms. The updates that will apply to policies effective May 1, 2022, or later include:

### CGL: Automobile Exclusion

GL policies aren't intended to provide primary automobile liability coverage, and UE's members either purchase primary coverage from other carriers or they self-insure. Consequently, our CGL policies always have had a broad automobile exclusion. However, to better support our members, we will be narrowing the exclusion as of May 1, 2022.

### CGL: Property Damage Exclusion

GL policies generally exclude coverage for property damage to property owned, occupied, or controlled

by an insured. In the interest of our members, UE has always provided an exception to the exclusion for property damage caused by fire and associated water damage when members rent or temporarily occupy third-party premises. However, in recent years, some members have begun changing how they manage their property holdings (for example, through public-private partnerships). This development necessitates a change in the exception language. Consequently, on May 1, 2022, UE's exception will state explicitly that it only applies to off-campus premises.

## Other Insurance Provisions

We're strengthening the 'Other Insurance' provisions in our policies, which specify how UE's policy will operate when another carrier's policy is implicated and confirms when UE's coverage is excess. These changes should reduce conflict with other carriers.

## Dispute Resolution

UE has decided to reinstitute mandatory arbitration following mediation in the rare circumstances when

there is a coverage dispute between a member and UE. In addition, we added language that provides for pre-judgement interest in coverage disputes at a percentage tied to the prime rate. These changes will improve consistency in the resolution of coverage disputes, irrespective of members' state of residence.

## Other Language Changes

UE has made additional 2022 policy changes to improve readability.

*The [linked specimen policies](#) reflect the specific changes that have been made to our core policy forms. This document provides a high-level summary of these changes for convenience and doesn't alter, expand, change, or limit the policy language itself, which always controls the coverage available*

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