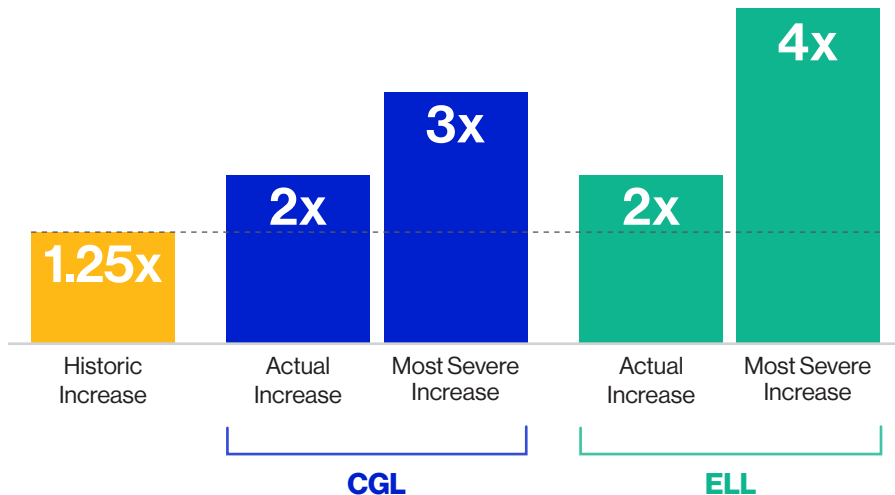


# The Rising Cost of Claims for Independent Schools: By the Numbers

United Educators (UE), like other insurance companies, has been affected by issues of social inflation and other societal factors that are drastically increasing the cost of claims. Across the nation, the average personal injury award in 2018 was double that of 2011; the median award was 64% higher. The graphics below show how these trends are impacting education claims.

## Primary General Liability (CGL) and Educators Legal Liability (ELL) Claims Trends: Increased Severity

Average 2015-2020 Loss Trends



## Sexual Misconduct

Excluding employment-related harassment and high-profile claims related to mass serial abusers, UE saw sexual misconduct claims:



Grow **3x faster** than all other claims types over the last 15 years

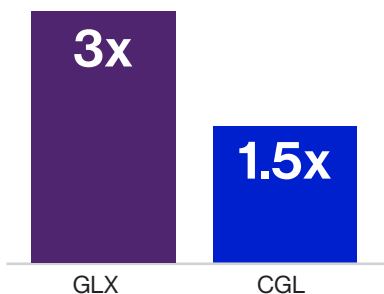


Comprise **nearly 20%** of all claims costs in the latest year

## Independent School Insights

Social inflation and increased settlements affect all UE members.

Average losses for independent K-12 school claims have increased in the past 3-4 years:



The frequency of independent K-12 school claims with payments or expected future payments **increased 80% across all lines of coverage.**



The loss ratio (which measures the portion of each premium dollar attributable to claims activity) for independent K-12 school policies has **increased 23%**, indicating that total loss cost trends are outpacing premium increases.