



Administrative Regulation 7301

INSURANCE COVERAGE

Responsible Office: Office of Business and Financial Services

PURPOSE

The Superintendent has adopted this Administrative Regulation to provide insurance for all District property, interests, and legal liabilities with one or more insurance companies authorized to transact business in Nevada, or through an approved self-insurance program administered under this regulation. Ensuring that District assets and liabilities are adequately insured is critical to the District's financial stability and operational continuity. Uninsured or under-insured properties create significant exposure. Similarly, casualty claims, especially those involving significant injuries or high-severity incidents, can generate multi-million-dollar liabilities. Maintaining appropriate levels of property and casualty insurance protects the District from catastrophic losses, preserves the District's ability to deliver educational services, and safeguards public resources.

DEFINITIONS

1. **"Casualty"**: Damage, destruction, or loss to a person or property from a sudden, unexpected, or unusual event that results in a financial loss for which someone is held responsible or liable.
2. **"Claim"**: A formal submission made by an individual to the Risk Management Department seeking coverage for a loss or event.
3. **"Enterprise Risk Management (ERM)"**: An integrated approach to risk governance that aligns risk appetite and tolerance with strategy, identifies and prioritizes risks across the organization, and uses consistent methodologies for risk assessment, response, monitoring, and reporting.
4. **"Insurance"**: A financial risk-transfer mechanism through which the District obtains coverage from an authorized insurer or approved self-insurance program to protect against specified losses. Insurance provides indemnification for covered property damage, liability claims, or other insured events in exchange for payment of premiums or contributions, subject to defined terms, limits, exclusions, and conditions.
5. **"Investigation"**: A systematic process to collect, preserve, analyze, and report facts which would include obtaining witness statements and expert opinions as necessary to determine cause, responsibility, and to identify corrective measures following an incident or claim.

6. **"Liability"**: A legal obligation, duty, or responsibility to compensate or make restitution for injury, loss, or other damage.
7. **"Policy Audit"**: A structured review of existing insurance policies and related risk financing instruments to evaluate coverage terms, limits, exclusions, deductibles, endorsements, and overall alignment with the District's risk profile. Policy audits are conducted to ensure coverage remains appropriate, cost-effective, compliant with applicable requirements, and responsive to evolving risks and operational needs.
8. **"Property"**: District-owned or leased real property, fixtures, equipment, vehicles, instructional materials, and other tangible assets used to support District operations.
9. **"Risk Assessment"**: A systematic process used to identify, evaluate, and prioritize risks that may affect the District's people, property, operations, finances, or legal obligations. Risk assessments consider the likelihood and potential impact of identified risks and are used to inform decisions related to loss prevention strategies, insurance coverage, safety initiatives, and risk financing.

REGULATION

1. Property and Casualty Fund

The District maintains a Property and Casualty Fund ("Fund") to cover costs related to property and casualty losses in situations where such losses are not recoverable from the District's insurance policies. The Fund exists to ensure that the District can respond effectively to significant or unforeseen events, protect instructional continuity, and maintain safe, functional learning environments.

- a. The Fund covers costs for qualifying property losses and third-party casualty losses when the District is liable, subject to the findings of a risk management investigation. Eligible expenses can include but are not limited to:
 - i. Natural disaster-related property losses (e.g., wildfire, wind, flood, earthquakes, or severe storms).
 - ii. Fire losses (e.g., arson).
 - iii. Vandalism and theft of District property.
 - iv. Unforeseen accidental damage caused by failures of District equipment or other assets, such as building damage from a District

- vehicle impact or water damage from plumbing failures (excluding repair or replacement of the failed mechanical component itself).
- v. Third-party property damage or bodily injury arising from District operations when liability is established.
- b. The Fund does not cover predictable or preventable losses. Excluded categories include but are not limited to:
 - i. Wear, tear, age, deferred maintenance, or equipment end-of-life.
 - ii. Losses arising from noncompliance with building codes or regulatory requirements.
 - iii. Food spoilage, which remains the responsibility of Nutrition Services.
 - iv. Damage caused by employee negligence, avoidable actions/inactions, or routine job duties.
 - v. Losses where the cause cannot be determined through investigation.
- c. When coverage is denied by the Risk Management Department, departments are required to follow District budget policies and practices to identify alternative funding. For equipment losses, the responsible department's operating budget serves as the first funding layer, followed by capital projects funds, if necessary. For non-capital items, departments must first use their operating budget and then may request supplemental funding through the General Fund.
- d. The Fund is an internal service fund that is also used to pay for insurance policy premiums and to account for charges to other funds to cover these costs. The Fund ensures that high-severity events, such as major fires or disasters, do not create catastrophic or inequitable financial burdens for individual schools or departments. At the same time, the Fund's exclusions reinforce accountability for routine maintenance, operational decision-making, and adherence to District policies and safety protocols.

2. Insurance Renewal Process

The Risk Management Department shall oversee and manage the annual insurance renewal process to ensure the District maintains appropriate coverage aligned with its enterprise risk profile, strategic objectives, and financial considerations. This process includes the following key steps:

a. Risk Assessment and Exposure Review

- i. Annually, with the assistance of the District's Insurance Broker, the Risk Management Department will review all property and liability exposures across the District, including but not limited to: facilities, vehicles, student and employee activities, off-site events, and emerging risks such as cybersecurity, data privacy, and reputational risks.
- ii. Annually, with the assistance of the District's Insurance Broker, the Risk Management Department will conduct an enterprise-level review of categories of property and liability exposure across the District for insurance planning and coverage evaluation purposes. This review is informed by industry best practices, existing records, reported incidents, and operational changes and inputs. This enterprise-level review is not intended to function as a site-specific safety inspection or assessment.
- iii. Historical claims data, loss trends, and investigative findings will be analyzed in aggregate to support coverage evaluation, retention limits, and retention structuring, and to identify potential gaps in insurance protection.
- iv. Collaboration with relevant departments (Legal, Facilities, Finance, IT, HR) will focus on identifying material changes to District operations that may impact the District's overall risk profile for insurance purposes.

b. Policy Audit and Coverage Evaluation

- i. Annually, Risk Management, in coordination with the District's Insurance Broker, will conduct a comprehensive review of existing insurance policies, including coverage terms, limits, exclusions, deductibles, endorsements, and potential alternative policies not currently in use. This review will incorporate industry benchmarks, best practices, and evolving risk trends.
- ii. Based on these analyses, Risk Management will document and present recommended adjustments, expansions, or reductions in coverage to the Chief Financial Officer.

iii. The District may procure additional insurance coverage when such coverage is determined to be in the District's best interest. These decisions will be guided by:

- 1) Enterprise risk assessments, including analysis of historical trends and the costs of coverage
- 2) Results of policy audits and coverage evaluations
- 3) Industry best practices
- 4) Stakeholder engagement and budget considerations
- 5) Alignment with the District's risk tolerance

c. Broker and Market Engagement

- i. The District's insurance broker will solicit proposals, including proposals for different retention and coverage limits, assess market capacity, and obtain pricing and terms from multiple insurers as appropriate.
- ii. Key factors in evaluating proposals include coverage adequacy, insurer financial stability, cost-effectiveness, and alignment with District risk thresholds.

d. Financial and Strategic Review

- i. Coverage recommendations that are made by the District's Insurance Broker will be reviewed with the Chief Financial Officer (CFO) to ensure alignment with budget, available reserves, risk tolerance, and enterprise risk strategy.
- ii. Strategic considerations, such as self-insurance retention levels, deductibles, and cost-benefit analyses, will be included in decision-making.

e. Board Approval

- i. Final recommendations for insurance coverage and renewal will be presented to the Board of Trustees for approval by the Risk Manager.
- ii. Approval and ratification will ensure compliance with statutory obligations, Board policies, and internal governance standards.

3. Risk Management Claims Log and Integration with Insurance Renewal

- a. The Risk Management Department maintains a comprehensive Risk Management Claims Log to record all property, liability, and other reportable incidents. This log serves as a critical tool to monitor trends, evaluate exposures, and inform strategic risk mitigation and insurance procurement decisions.
- b. The Claims Log and supporting documentation capture details of each incident, including date of loss, location, type of loss, claimant information, investigation findings, root causes, financial impact, and resolution status.
- c. All documentation, including investigative reports, corrective actions, and settlement determinations, is maintained with the log to ensure transparency, accountability, and regulatory compliance.
- d. Integration with Insurance Renewal Process
 - i. The Claims Log provides key historical data for the annual insurance renewal process, supporting accurate assessment of exposures, coverage adequacy, and risk retention strategies.
 - ii. Risk Management uses trends and patterns from the log to:
 - 1) Identify recurring losses or high-frequency risk areas that may require increased coverage, risk control measures, or targeted mitigation strategies.
 - 2) Inform insurer negotiations by providing evidence-based loss history and risk mitigation actions.
 - 3) Evaluate the effectiveness of prior insurance policies, coverage limits, and deductibles.
- e. Collaboration with the CFO, Office of the General Counsel, and other stakeholders ensures that claims information is appropriately analyzed to support budgeting, risk appetite decisions, and enterprise-wide risk strategy.

4. Schedule of Values

- a. As part of the renewal process, the Risk Management Department will be tasked with the management of the District's Schedule of Values log. Working with the Capital Projects and Facilities Management Departments, this log shall be updated annually to account for both new properties

constructed and the disposal of any existing properties. The insurable value of District buildings and contents shall be based on the present-day replacement cost. These values will be established annually by District personnel with guidance and input from the District's Insurance Broker and Property Insurance Carrier.

- b. An independent appraisal firm may be used at the discretion of the District's Property Insurance Carrier and in coordination with the Risk Management Department and the District's Insurance Broker.
- c. The annual valuation process will include policy audits, coverage assessments, and best-practice analysis. Stakeholder engagement and budget considerations will guide decisions to align with District risk tolerance and thresholds.

5. Types of Insurance Coverage

- a. The District shall maintain insurance coverage to protect its property, interests, and employees. Coverage may include, but is not limited to:
 - Property
 - General liability
 - Deadly weapons response
 - Excess liability
 - Workers' compensation
 - Cyber liability
 - Flood coverage
- b. Coverage will be reviewed and adjusted annually based on risk assessments, policy audits, and industry best practices. Limits and deductibles may vary and may change annually, reflecting the dynamic nature of the risk and insurance landscape.

6. Self-Insurance and Claims Management

The District's insurance policies carry high deductibles, meaning most risk management-related claims are funded internally through the Property and Casualty Fund. When a claim is submitted to the District's property or liability carriers, it will be managed by the Risk Management Department in coordination with the District's insurance broker. Claims that fall below property or liability deductible thresholds will be handled entirely in-house by the Risk Management Department.

- a. **Settlement Authority and Delegation:** Authority for claim resolution shall be established collaboratively between the Chief Financial Officer,

Risk Manager, and Office of the General Counsel, in accordance with District and Board best practices.

- b. **High-Value or Litigation Claims:** For complex or high-value claims, the Chief Financial Officer and the Risk Manager will coordinate with the Office of the General Counsel and insurers, as appropriate, to develop a strategy and pursue recovery or subrogation when feasible.
 - c. **Investigations and Documentation:** All claims will be investigated, documented, and analyzed to identify root causes. Risk Management will support departments, schools, and claimants in continuous improvement efforts, including corrective actions, training, policy development, and loss control techniques.
 - d. **Subrogation and Cost Recovery:** When a loss covered by the Property and Casualty Fund is caused by the actions of negligence of a third party, the District may pursue subrogation or other cost-recovery efforts to recoup amounts paid by the Fund. Risk Management, in coordination with other appropriate departments, will evaluate recovery opportunities based on liability, available evidence, contractual rights, and cost-effectiveness.
 - e. **Internal Reporting and Board Oversight:** Risk Management will maintain comprehensive records of all claims, settlements, and insurance activities. Periodic reporting may be provided to the CFO and Board to ensure transparency and adherence to policy.
7. **Alignment with Board Policy and Enterprise Risk Management**

This regulation supports and operationalizes **Board Policy 7300 – Risk Management**. It reflects enterprise risk management principles, including cross-departmental collaboration, continuous risk assessment, and strategic oversight of property and casualty exposures.

LEGAL REQUIREMENTS AND ASSOCIATED DOCUMENTS

1. This Administrative Regulation reflects the goals of the District's Strategic Plan and aligns/complies with the governing documents of the District, to include:
 - a. Board Policy 7300, Risk Management.
2. This Administrative Regulation complies with Nevada Revised Statutes (NRS) to include:
 - a. Nevada Revised Statutes (Titles 53 and 57).

3. This Administrative Regulation complies with the following Federal laws and regulations, to include:
 - a. Nevada Board of Education requirements; and
 - b. Applicable Federal standards (e.g., OSHA, ADA, FERPA, HIPAA, Title IX).
4. Industry best-practice guidance for public entity insurance and enterprise risk management.

REVISION HISTORY

| Date | Revision | Modification |
|------------|----------|--|
| 1/13/1987 | 1.0 | Adopted |
| 2/14/1989 | 2.0 | Revised |
| 3/28/1989 | 3.0 | Revised |
| 5/12/1992 | 4.0 | Revised |
| 2/24/2015 | 4.1 | Revised: number changed from 3532 |
| 01/28/2026 | 5.0 | Revised: Comprehensively reviewed and updated to clarify roles, responsibilities, and processes related to insurance, risk management, claims administration, and the Property and Casualty Fund. Improved alignment with District-wide risk management practices. |