

Summary of Coverage Agreement Changes, Enhancements and Clarifications

Effective Sept. 1, 2017

As a part of the annual Coverage Agreement review, the TASB Risk Management Fund (Fund) is implementing the following coverage changes, enhancements, and clarifications for all renewals taking effect on or after September 1, 2017.

This is a summary of changes only; please carefully review the full text of all Fund Coverage Agreements.

Property Coverage Changes

- The Property Coverage agreement will include a definition for the term “Damage” (under Part A III.B.), which is considered physical harm to Covered Property that substantially reduces its ability to function. Harm to property that affects the appearance of property, but does not substantially reduce functionality, will not qualify as Damage, and will not be considered a covered Loss.
- The agreement will include “Aesthetic Impairment” coverage (under Part C I.A.10.), which will replace the “Cosmetic Damage” coverage. “Aesthetic Impairment” is defined as harm that changes the appearance of Covered Property that is within public view. This coverage will pay up to \$100,000; additionally, members with Aesthetic Impairment to metal roofs from a Loss will instead have the option to receive payment of 50% of the final repair cost up to \$1,000,000 per Occurrence.
- An exclusion was added (under Part C I.C.29.) for Loss to plumbing systems when the ensuing harm is not a covered Loss.
- A duty was added (under Part E II.C.) for the member to communicate directly with the Fund, unless a third-party representative is agreed to by the Fund.
- A duty was added (under Part E II.D.) for the member to solicit multiple quotes for repairs when requested by the Fund.
- A duty was added (under Part E II.E.) for the member to agree to the use of any Fund preferred vendor panel.
- A condition was added (under Part F IV.) that no assignment made by the member is valid if that assignment inhibits the Fund’s direct communications with the member.
- A condition was added (under Part F IX.) which includes the Administration of Claims language from the Interlocal Participation Agreement.

School Liability Coverage Changes

- A definition was added (under Part A IV.A.) to Covered Person to include K-12 students while they are participating in an external career or technology program approved by the member.