

For discussion on
1 February 2016

Legislative Council Panel on Education

Issues related to the Block Insurance Policy taken out by the Government for Aided Schools

PURPOSE

This paper gives a brief account on the Block Insurance Policy (BIP) taken out by the Government for aided schools.

BACKGROUND

2. Any person who suffers from accidental bodily injury, including physical impairment, disease, illness, trauma or death, and/or accidental loss of or damage to any property arising out of a school's business may, under the common law process, claim compensation from the school. To provide aided schools with appropriate protection for their daily operation, the Government has taken out for them the Block Insurance Policy (BIP).

The BLOCK INSURANCE POLICY

Objectives

3. The BIP comprises three parts, namely, the Public Liability Insurance (PLI); the Employees' Compensation Insurance (ECI); and the Group Personal Accident Insurance (GPAI). The PLI and ECI are a kind of liability insurance. While PLI protects schools against legal liability for accidental injury to any person, including students, parents and visitors, and/or accidental loss of or damage to any property arising out of school business, ECI protects schools against their legal liability to pay compensation including claimant's costs and expenses in respect of death or injury of a school employee by accident or disease arising from and in the course of employment. Different from the above two parts, GPAI provides some financial consolation to students who suffer from accidental death or

permanent disablement while participating in any school activities. It is a kind of additional protection for students.

Coverage and Maximum Indemnity Limits

4. The coverage and maximum indemnity limits of the various types of insurance are set out below:

Insurance	Coverage	Maximum Indemnity Limit
PLI	Legal liability of the school for accidental injury to any person or accidental loss of or damage to any property	HK\$100 million per any one occurrence
ECI	Legal liability of the school as an employer which relates to death or injury by accident or disease sustained by an employee arising out of and in the course of his/ her employment	HK\$100 million per any one event for each school
GPAI	Accidental death or permanent disablement sustained by students participating in any school activities	Up to HK\$100,000 per student according to death and scale of disablement

Eligibility Criteria

5. Any person such as a student, parent, staff member, visitor or the public who suffers from accidental injury and/or accidental loss of or damage to any property arising out of a school's business may lodge PLI claims. To substantiate any claims for compensation, proof of school negligence is necessary.

6. An employee of a school is entitled to compensation under ECI if his/her death or injury by accident or disease arises out of and in the course of employment subject to the following criteria:

- i) whose salary is subvented by the Education Bureau (EDB); and
- ii) who is in the employment of the insured school under a contract of service or apprenticeship or who is an "employee" as defined in the Employees' Compensation Ordinance of an insured school.

7. As regards GPAI, students who suffer from accidental death or permanent disablement while participating in any school activities would be eligible to apply for this insurance and no proof of negligence from the school is required.

Current Operation

8. In the event of an accident, the insured (i.e. the school) or the claimant is only required to submit duly completed claim forms together with supporting documents for the BIP insurer to follow up their cases. To protect the interests of the claimants, schools are required to report all accidents, irrespective of whether they are liable, to the insurer who will then follow up and attend to the matter direct. On the basis of the case reported and the information submitted by the claimant, the insurer will conduct an investigation. Where negligence on the part of the school is established under PLI, the insurer will make reasonable compensation within the insured liability.

9. For a school employee who sustains injury or death by accident or disease arising out of and in the course of his/her employment, the school should report the case to the insurer as well as the Commissioner for Labour. Compensation will be made according to the Employees' Compensation Ordinance. The employee may also lodge the claim under Common Law if the injury is caused by the negligence of the employer and the amount of compensation will be decided by the Court.

10. Regarding GPAI, as it is a financial consolation to students who suffer from accidental death or permanent disablement while participating in any school activities, proof of any parties' negligence is not necessary provided that any claim made shall be lodged with the school no later than 3 years from the date of the accident causing such death or relevant permanent disablement. Individuals who have any enquiry about claim matters under BIP may approach the insurer. EDB has also uploaded the insurer's contact information, claim forms, insurance specification, explanatory notes of BIP and common questions and answers on BIP onto our webpage for easy access by the public.

SOME VIEWS IN THE SECTOR

11. There have been voices that BIP should be extended in coverage to include accidental injuries sustained by students in school activities in particular, when there are more other learning experiences / activities, e.g. mainland exchange programmes. To ensure the safety coverage of all participants, it is a prevailing practice for EDB to require service providers to acquire comprehensive travel insurance for participants of the mainland exchange programmes organized by EDB. Teacher and student participants are also reminded to acquire additional travel insurance should they consider there being a need for enhanced protection. For the programmes organized by schools, we have also advised schools to remind participants to purchase personal comprehensive travel insurance according to their own needs. We must emphasize that the GPAI under BIP is a kind of additional protection for students. It should not be perceived as a comprehensive personal insurance for students. Schools should exercise professional judgement to acquire additional insurance based on the assessed risk of activities concerned. Besides, parents who wish to arrange a comprehensive personal insurance coverage for their children such as travel insurance, life insurance, personal accident insurance, medical insurance, etc. may acquire it separately at their own costs.

12. All along, in taking out BIP, EDB would examine the coverage and terms of the insurance policy as well as the operational needs of schools in accordance with the policy intent and relevant legislative requirements. The existing public liability insurance has protected schools against claims for accidental bodily injury (not limited to death or trauma arising from serious accidents) to any person, and/or accidental loss of or damage of any property arising out of school business and the claims are handled according to the requirements of law. The policy limit for public liability insurance is HK\$100 million for any one occurrence, which is very high in the education sector. As a matter of fact, a policy with a wider coverage entails a higher premium.

CONCLUSION

13. Given the Government's fiscal affordability, we have taken out appropriate insurance policy for schools under BIP by making proper use of

resources in the light of the relevant policy and legislative requirements and in line with the principles of effective use of public money and prudent financial management. Through daily contacts, we can learn about the needs of schools, which will be taken into account in our future procurement of BIP. For the time being, we do not consider there is a need to enhance the provisions of BIP.

Education Bureau
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