



Early Childhood Iowa Insurance Needs for Local Area Boards Tool T

From 2561.7 Early childhood Iowa area boards created.

4. An area board is a unit of local government for purposes of chapter 670, relating to tort liability of governmental subdivisions. For purposes of implementing a formal organizational structure, an area board may utilize recommended guidelines and bylaws established for this purpose by the state board.

Tort Claims Act – Governmental Subdivisions Iowa Code ch. 670

“Liability imposed. Except as otherwise provided in this chapter, every municipality is subject to liability for its torts and those of its officers and employees, acting within the scope of their employment or duties, whether arising out of a governmental or proprietary function. . . . “
§ 670.2

Definitions.

- *“Municipality”* means “city, county, township, school district, a chapter 28E entity as provided in section 670.4, subsection 1, paragraph “p”, and any other unit of local government. . . . “§ 670.1(2)
- *“Tort”* means “every civil wrong which results in wrongful death or injury to person or injury to property or injury to personal or property rights and includes but is not restricted to actions based upon negligence; error or omission; nuisance; breach of duty, whether statutory or other duty or denial or impairment of any right under any constitutional provision, statute or rule of law.” §670.1(4)

Officers and Employees Defended

- “The governing body shall defend its officers and employees, whether elected or appointed and shall save harmless and indemnify the officers and employees against any tort claim or demand, whether groundless or otherwise, arising out of an alleged act or omission occurring within the scope of their employment or duties.” § 670.8
- *Insurance.* “The governing body of a municipality may purchase a policy of liability insurance insuring against all or any part of liability which might be incurred by the municipality or its officers, employees, and agents. . . . “§ 670.7
- Administrative cost equals 5% of the School Ready Grant and 5% of Early Childhood funds.

Insurance Outline for Early Childhood Iowa Area Board

1. General Liability

Covers Bodily Injury (BI) & Property damage (PD) arising out of owned or leased premises and all operations.

- (a) Include Personal Injury for libel, slander, etc.
- (b) Include Contractual Liability
- (c) Cover all employees and volunteers
- (d) Include coverage for sexual abuse and molestation.

2. Automobile Liability

- (a) Cover BI and PD arising out of owned, non-owned or hired cars
- (b) Cover all employees and volunteers using their personal autos

3. Public Officials Liability

- (a) Cover liability for wrongful acts arising out of management and operation of the Board other than BI or PD
- (b) Cover all employees and volunteers and Board itself
- (c) Include Contractual Liability
- (d) Include coverage for prior acts

4. Fidelity Bond

- (a) Cover potential loss by dishonesty of either employees or volunteers of the Board of “Fiscal Agent”.
- (b) Must cover all employees and volunteers of both the ECI Area Board and the Fiscal Agent.
- (c) Coverage can be written in separate bond or by endorsement to policy of Fiscal Agent using a joint insured endorsement.
- (d) Bond must also cover loss by computer fraud and electronic funds transfer.

Resources

An ECI Area Board should find an insurance carrier that meets their needs and financial situation. They may wish to use an insurance agent in their community or large national company. A large number of ECI Area Boards use one of the following for their liability coverage. In no way does the Early Childhood Iowa Office or State Board endorse either of the following insurance providers, they are only provided as options.

Iowa Communities Assurance Pool (ICAP) www.icapiowa.com	Jester Insurance Services, Inc. 303 Watson Powell Jr. Way Des Moines, IA 50309 515 243-2707
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