

September 16, 2020

Kuspuk School District  
PO Box 49  
Aniak, Alaska 99557-0049

Re: Introduction to APEI

Dear Board of Education members,

The Kuspuk School District has procured insurance coverage for the current fiscal year through Alaska Public Entity Insurance (APEI). I wanted to take a moment to describe how APEI is different from a typical insurance company, the kinds of services we provide, and what it means to be an APEI member.

APEI is not a commercial insurance company, but rather a joint insurance arrangement, or “pool” of Alaskan school districts and municipalities who have agreed to work together to assume the risk of losses and purchase excess insurance coverage as a group. Most public entities that participate in a joint insurance arrangement have been a member of that pool for a number of years, and share in the benefits and losses of the pool as a group. Pools differ from commercial insurance in that a primary focus of the pool is on loss control; that is, we work actively with our members to help them find ways to reduce the number of incidents that can lead to expensive insurance claims. We do this by providing our members with a wide variety of services, such as:

- On site and online training for staff, management, and governing bodies;
- Safety inspections of member facilities;
- Email and telephone consultation services on safety and Human Resources related topics;
- Safety grants of \$1,000 - \$5,000 (depending on the size of your organization) to assist in the purchase of safety equipment or training;
- Reimbursement of some legal expenses for consultations regarding employee terminations and reports of potential child sexual abuse; and
- A Loss Control Manual provided to all APEI members and containing information and resources for risk management in your organization.

More information about APEI’s organization and services can be found in our Member Handbook, which has been provided to each APEI member. You can obtain a copy from your Superintendent or another staff person, or we’d be happy to email you an electronic copy.

An important aspect of your insurance coverage that we want you to be aware of pertains to your Employment Practices Liability (EPL) coverage, which protects the School District if it were to be sued by an employee or former employee claiming wrongful termination.

As a condition of EPL coverage, APEI members are required to consult with an attorney prior to terminating an employee. While governing bodies typically do not oversee these decisions for the majority of the organization’s staff, they are usually responsible for the hiring (and firing) of the

Superintendent or similar individual responsible for overseeing the day-to-day operations of the school or school district. We want to ensure that, if you end this employment relationship, you are aware that this EPL coverage condition applies. APEI is available to assist governing bodies in identifying appropriate legal counsel and we also offer a legal fee reimbursement for up to one hour of legal consultation per termination.

APEI provides premium credits to members who complete loss control activities and submit documentation of those activities to APEI. One form of credit which is particularly important to school boards concerns the adoption of the AASB model policy 5141.42 related to Professional Boundaries and sexual abuse prevention. School districts that adopt this model policy and the associated administrative regulations will receive a credit equal to 1% of their general liability premium. Districts that also provide training in sexual abuse prevention to staff can receive another credit of up to 3% of their premium, with the maximum provided to districts who provide an hour of training to each employee.

If you would like to learn more about our loss control services, visit the Loss Control page at the APEI website at <https://akpei.com/loss-control-materials/>, or give us a call. We are happy to answer questions and always welcome feedback about our services and suggestions on how we can help our members. Your broker, Samantha Stringer, is also a good source of information about APEI and your risk management needs.

Sincerely,



Barbara, Thurston  
Executive Director, APEI