



January 31, 2024

TO: District Superintendents
Chief Business Officials
SISC Member Districts

FROM: Robert J. Kretzmer, Director
Property & Liability

SUBJECT: Coverage for Board Members

We are asked on occasion about the applicability of the SISC Liability Memorandum of Coverage (MOC) to coverage for school board members. Using the SISC Liability Memorandum of Coverage as an example, the following would apply:

The MOC does afford coverage to board members under Section I for bodily injury, property damage, errors and omissions, personal injury, employment practices, and employee benefit wrongful acts.

An error or omission is defined as “any actual or alleged misstatement or misleading statement, act, omission or neglect of duty by a member, or its **employee** in the discharge of duties for the member or member’s **agency** that does not result in **bodily injury** or **property damage**.”

The MOC defines who is a covered party as well. Employees are defined in part as a “past or present elected or appointed official, employee or volunteer of the member, member’s **agency** or any **educational foundation** only while acting within the scope of his or her employment with, or duties for, the member or member’s **agency**.”

Insurance language can be difficult to comprehend. In short, the MOC does the following on behalf of board members:

- Protects board members from liabilities associated with the performance of the discharge of their duties.
- Affords a defense to board members in the event a suit is filed against you.
- Selects defense counsel and covers the cost of that counsel.
- Affords coverage subject to the terms and conditions of the MOC.

A complete copy of the MOC is located on our website for your reference and review. In the event you have any questions regarding how coverage applies to a board member for one of our member districts, please contact Robert Kretzmer at 661-636-4709.

RJK:lm