



## **Insurance Coverage & Fidelity Bond Requirements**

This bulletin provides information on the insurance coverage and bond requirements for schools that participate in the Private School Choice Programs (Choice program). The information in this bulletin is based on Wis. Stats. §§118.60 and 119.23 and Wis. Admin. Code PI 35 and PI 48. The school's external auditor will determine whether the school meets the insurance and fidelity bond requirements as part of the Fiscal and Internal Control Practices Report, which is due by annually by December 15<sup>th</sup>.

In addition to the insurance coverage described in this bulletin, the school may need to obtain additional vehicle coverage if the school uses buses or other vehicles. Information on these requirements is available on the [Training](#) portion of our website under Training 6-8: Transportation.

### **First Time Choice Program Participants Requirement**

Schools that are first time participants in the Private School Choice Programs must provide a copy of the school's certificate of insurance or other evidence of having obtained the required insurance and a fidelity bond indemnifying the private school against loss resulting from dishonesty, malfeasance or neglect by owners, officers or employees. The required insurance must be in place by May 1 if the school is participating in summer school; otherwise the coverage must be in place by August 1 of the first year a school participates in the Choice program. The insurance coverage must remain in place as long as the school is participating in the Choice programs.

### **Fidelity Bond Requirements**

The school must have a fidelity bond indemnifying the private school against loss resulting from dishonesty, malfeasance or neglect by owners, officers or employees. The DPI accepts a Crime-Employee Dishonesty policy as meeting this requirement if the policy provides loss coverage for acts resulting from dishonesty, malfeasance, or neglect by owners, officers or employees.

No dollar amount for the bond is specified in Wis. Admin. Code PI 35 or PI 48. The DPI recommends that the school seek professional advice as to the adequate bond or dishonesty policy coverage based on the school's operational risk factors.

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<https://dpi.wi.gov/parental-education-options/choice-programs>

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### Insurance Requirements

A school shall have insurance coverage provided by an insurance company licensed to do business in the state of Wisconsin or by a non-profit, tax exempt mutual protective organization covering risks of schools of, and controlled by, a religious denomination. All coverage shall be on an occurrence form or a claims made basis. A school's minimum insurance coverage shall be for the amounts in the table below. For all coverage except worker's compensation liability insurance, the amount obtained may be less than the coverage amounts below if it is based on a written recommendation of a risk or insurance consultant.

The School must be current with their insurance payments. Additionally, either the certificate of insurance should have DPI listed as a "certificate holder" or the insurance policy should have DPI listed as an "additional insured endorsement."

If the errors & omissions liability for school leaders and the sexual misconduct liability insurances are combined with other insurance, the limit must be at least as much as the sum of all the required aggregate limits. Each of these policies require a \$1 million aggregate limit. So, for example, if the errors & omissions and the sexual misconduct liability insurances were combined, the aggregate limit would need to be \$2 million.

Coverage	Required Coverage Amount
<b>Worker's Compensation Liability Insurance</b>	Amount required by state statute
<b>Commercial General Liability Insurance</b>	
Each Occurrence - Required minimum	\$1,000,000
Personal Injury - Required minimum	\$1,000,000
<b>Umbrella Excess Liability Insurance - Aggregate Limit</b>	\$5,000,000
<b>Auto Liability Insurance - Each Accident</b>	
As with all the required insurance types, all schools are required to have auto liability insurance. If a school does not own any vehicles they may obtain a "non-owned autos" policy.	\$1,000,000
<b>Errors and Omissions Liability for School Leaders - Aggregate Limit</b>	
Directors and officers insurance will be accepted as meeting this requirement, if the policy provides coverage commonly found in a school leaders errors and omissions liability policy for the school, its officers, and governing board <b>and employees</b> acting within the scope of their duties against claims from third parties for alleged errors and omissions, misstatements, negligence, or breach of duty. This includes allegations concerning employment-related issues such as discrimination, harassment, and wrongful termination, mismanagement of assets, and failure to provide services.	\$1,000,000
<b>Sexual Misconduct Liability - Aggregate Limit</b>	\$1,000,000