



## Five years later, Norris is still glad to be covered by ALICAP

It's been five years since Norris Public Schools reopened its doors after a devastating Category 4 tornado struck in May of 2004. The cleanup and restoration of the school facility was truly an amazing feat, with kids reporting to class only three and a half months after unthinkable damage descended upon the school campus.

It doesn't matter where you buy your insurance until you need it, and then it matters tremendously. If you don't believe this, ask the administration of Norris Public Schools. The same weekend as the Norris twister, a school in Texas



The aftermath of the 2004 Norris tornado.

was severely damaged by a similar tornado. On Sept. 7, 2004 Norris opened the doors to their repaired school while the Texas school had not even cleared the premises of debris. What was the difference? ALICAP!

“(The reconstruction of the school campus) became a unified mission of hundreds of people up and down the line to do whatever was necessary to get the job done so the Norris students could come back to school in the fall,” said Superintendent Roy Baker. “For all of that, the Norris people will be forever grateful.”

Not only was school allowed to begin on time just over three months after the devastation occurred, but the students in Norris returned to a building that was actually better than it was before.

“We all understand that we ended up with facilities that were better than we had before the tornado,” Baker continued. “The oldest parts of our buildings were 35 years old, and equipment such as rooftop air handling units was near the end of their life expectancy. All of that equipment was replaced with new equipment. All of our buildings ended up with new electrical wiring throughout, new data cabling, new lights, new roofs and ceilings, new floor coverings, new casework and furniture, new outdoor athletic facilities, and more.”

ALICAP is owned by the member districts and has the coverage and claims handling necessary to handle severe situation like this. Let's look at how the coverage came into play:

- ALICAP has \$150 million available per loss and districts are not limited to the values reported. This allowed Norris to collect over \$32 million when their scheduled values were \$28,677,966. Prior to joining ALICAP, Norris had \$22 million in coverage and would have been limited to that amount a \$10 million shortfall that would have severely crippled the district.
- ALICAP provides Building Ordinance Coverage also in excess of the schedule. This pays for upgrades required by code such as sprinklers, handicapped access, etc. Norris used close to \$2 million of this coverage.
- ALICAP provides Extra Expense Coverage in addition to the property damage. This covers the cost of expediting equipment, overtime for the contractors necessary to rebuild on a short timeframe and temporary classrooms when needed. Norris used close to \$2 million of this coverage.
- ALICAP provides Debris Removal Coverage in addition to the property damage in the amount of \$5 million. Norris used close to \$2 million.

- ALICAP provides replacement coverage for buses when two or more are damaged in the same event (generally insurance only pays the depreciated amount for autos). This allowed Norris to replace 13 vehicles to the tune of \$545,201 which was easily \$300,000 to \$400,000 more than would normally be paid.

Coverage is one thing, but claims handling is equally important. Let's look at how this worked to Norris' advantage:

- Sedgwick (ALICAP's third-party claims handlers) was on sight the next day and immediately called in a team of professionals to administer the claim. This included claims people from the excess property carrier ALLIANZ, independent adjusters to represent Norris, a global independent claims handling team to mediate, a national



A littered playground after the Norris tornado.

disaster recovery team and a national construction consulting firm. The expense of handling the claims was easily over \$1 million.

- The above professionals working with Roy Baker and his administration at Norris, their attorney Rex Schultze, their contractor of choice (Sampson Construction), and NASB and Public Risk Management staff worked through all the various complex issues in a spirit of cooperation. This spirit and professionalism paved the way for a very successful outcome in Norris.

One question that is frequently asked is “How did a loss this large impact ALICAP?” The answer is simple. It helped the Pool tremendously. This claim was proof that ALICAP could handle a catastrophic claim and should be considered by all NASB members because of the manner and expediency in which a claim this large was handled. By the time all was said and done, ALICAP paid out over \$34 million in claims, and yet rates throughout the pool rose less than 1 percent in the following year.

“I always had the feeling that ALICAP was totally on our side,” Baker recounts. “We did not have to expend energy on, or worry about, grappling with our insurance company to get them to pay what we thought they should, or hoped they would. ALICAP was a true partner from start to finish.”

As result of his experience, Baker is one of the leading advocates of school districts working together to deliver great value, as well as great service. “(ALICAP's) rates will always be very competitive. Beyond that, it is hard to put a price tag on the service provided to schools. The attitude of our insurance people was to be as helpful as possible to Norris in our time of great need.”

ALICAP was glad to help and are interested in being there for you in the future. If your district is not one of the nearly 150 districts in Nebraska benefitting from this cost-effective program, please call Megan Boldt today for a free quote.