



Gallagher

Insurance | Risk Management | Consulting

Higher Education Liability Benchmark Report

2022



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INTRODUCTION

Gallagher's Higher Education practice is pleased to present the results of our 2022 Liability Benchmark Survey, which compares the aggregate limits of excess liability (XL), educators legal liability (ELL), cyber liability and fiduciary liability coverage purchased by U.S.-based higher education institutions. In addition to soliciting point in time limit information, we have strived to solicit feedback from the industry to continually improve our report since its inception in 2011. For example, in 2020, we started collecting data with regard to changes in deductible/self-insured retentions. This year, given the continued hardened market conditions we've experienced since our last report was published, we thought it critical to identify and illustrate market trends pertaining to the items that are the greatest concern of our market partners, as well as the higher education industry. Some of the items addressed in this report are limit and coverage changes for traumatic brain injury (TBI), sexual assault and molestation (SAM), cyber and fiduciary excessive fee limits.

The benefit of a liability limits benchmark survey is its ability to provide the perspective at a point in time on industry purchasing patterns and to give individual institutions the opportunity to examine their purchasing patterns against similarly-situated institutions. This benchmark report should prove informative in helping you make decisions regarding the amount of coverage you need, but it is only one of the tools available to help you answer the question: **How much coverage is enough?**

Other sources of information we encourage you to consider are:

- Insurance carrier reports on large claims and loss trends
- Global, national and state-specific judicial and legislative developments
- Financial and operational changes on your campus
- Changes in your institution's claim experience
- Individualized loss forecasting and retention analysis
- Similar benchmark reports for other industry groups (healthcare, hospitality, sports franchises, etc.)

Adding to the complexity of making informed decisions on the amount of coverage to purchase are current conditions, including the following:

1. A very hard insurance market that has seen premiums skyrocket, underwriting capacity shrink and scope of coverage reduced
2. Social inflation and nuclear verdicts dramatically increasing the size of settlements faced by higher education institutions
3. Challenging financial pressures experienced by many colleges and universities

All these factors make decisions regarding the adequacy of liability limits very difficult. There is no right answer; rather, we seek a diligent process backed by data that adds a layer of confidence for decision-makers. We hope you find the 2022 Liability Benchmark Report to be of assistance in helping your institution make those informed decisions.

We greatly appreciate the 290 institutions who submitted their information before the November 1, 2022, deadline. A number of institutions provided exposure and limit information after the cutoff date and, while we were able to provide those institutions with individualized benchmark reports, their data is not included in this summary report. We expect to release the next Liability Benchmark Report in 2024.

Thank you,

Stacie Kroll and Paul Pousson

Co-Managing Directors, Higher Education
Gallagher

SURVEY SCOPE, STRUCTURE AND LIMITATIONS

Survey respondents self-reported data on the amount of XL, ELL, cyber and fiduciary liability limits purchased, as of November 1, 2022. We've divided the report into seven principal categories:

1. Aggregate data
2. Two-year community colleges
3. Four-year public universities
4. Four-year private colleges and universities
5. Doctoral University – High Research (i.e., R1 designation)
6. Division I athletics
7. Academic medical centers

In each category, we compare purchasing patterns for institutions based on enrollment, operating budget and endowment. Endowment levels for two-year institutions were deemed to be statistically insignificant, so exposure comparisons were limited to enrollment and operating budget. It is important to note that institutions participating in this survey only provided information on the amount of limits purchased for each coverage line, and on questions that focused on changes in the amount of coverage purchased, deductible/Self Insured Retention (SIR) levels utilized and certain types of coverage offered. Gallagher did not attempt to identify the insurance companies providing coverage, the cost of coverage and sublimits or coverage restrictions that may work to reduce the extent of coverage provided.

Certain public institutions that have data included in this report may enjoy statutory immunity protections that influence the amount of liability coverage they purchase. No distinction was made in this report between institutions that are protected by relevant immunity statutes and those public institutions without such protections.

SUMMARY

We hope you find the 2022 Liability Benchmark Report helpful when comparing your institution's purchasing practices to those of similarly-sized and mission-oriented institutions.

When considering our survey respondents in aggregate, our 2022 results accurately reflect what many institutions have been experiencing during these market conditions. Markets are retracting limits, increasing deductibles/SIRs and imposing further coverage restrictions. While our survey did not inquire on whether these purchasing decisions were driven by market mandates or an institutional decision to purchase lower limits, we believe a vast majority of the activity illustrated is market-driven.

Notable trends in this year's report include the following:

XL and ELL

- 25% of respondents purchased lower XL limits, compared to 18% in 2020. 18% of institutions also reported experiencing an increased deductible/SIR.
- ELL results are similar, with 29% of respondents reporting purchasing lower amounts of ELL, compared to 14% in 2020. 28% of respondents also reported an increased SIR.
- Two-year institutions experienced the least amount of fluctuation in limits, with 95% of respondents reporting no change on their XL limits, and 85% reported no change on the ELL. Eighty-five percent of two-year institutions also reported no change on XL, and 92% reported no change in ELL deductibles/SIR.
- 33% of respondents purchase \$50 million or more of XL coverage, while 26% report purchasing \$50 million or more of ELL coverage.
- Four-year private institutions continue to lead the trend of purchasing higher limits.
- 8% of respondents reported XL coverage does not include TBI, and 5% reported their XL coverage does not include SAM coverage.

Cyber liability and fiduciary liability

- 21% reported decreased cyber limits, and 46% reported higher SIRs.
- 70% of respondents reported no change in cyber limits.
- 62% of respondents reported purchasing less than \$5 million of cyber coverage, compared to 55% in 2020.
- Four-year publics lead the way in purchasing higher cyber limits, with 52% reporting purchasing more than \$5 million in cyber coverage.
- 19% reported the addition of a cyber extortion sublimit or the addition of coinsurance.
- 89% reported no change in fiduciary limits.
- 83% of the respondents purchases less than \$25 million in fiduciary coverage.
- 6% experienced a decrease in excessive fee limits on the fiduciary liability coverage, while 35% reported an increase in the excessive fee retention.

Across all four lines of coverage included in the report, roughly half of respondents reported purchasing coverage as part of a risk consortium or alternative risk purchasing program.

This summary report is organized so you can quickly reference the section that reflects the characteristics of your college or university. As a respondent provides more direct peer-to-peer comparisons, we are also able to provide an individualized report. If you participated in the 2022 survey, and did not receive an individualized report, please contact your account executive.

Again, thank you to all the institutions that responded to the survey. Your time and information are valuable, and we cannot publish this report without your participation. We are also grateful for our colleagues, the Gallagher's Higher Education team.

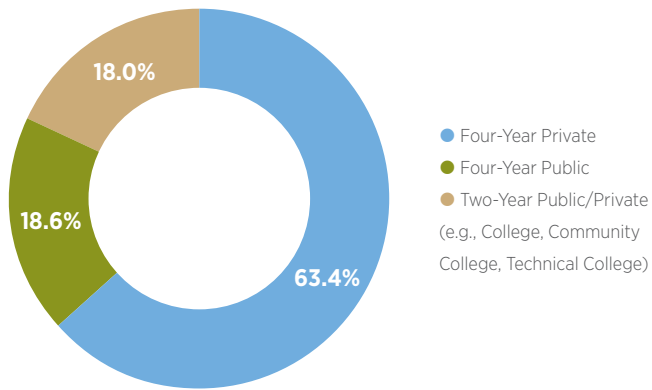
If you have any questions or comments regarding the 2022 Liability Benchmark Report, please contact Stacie_Kroll@ajg.com.

SURVEY RESULTS

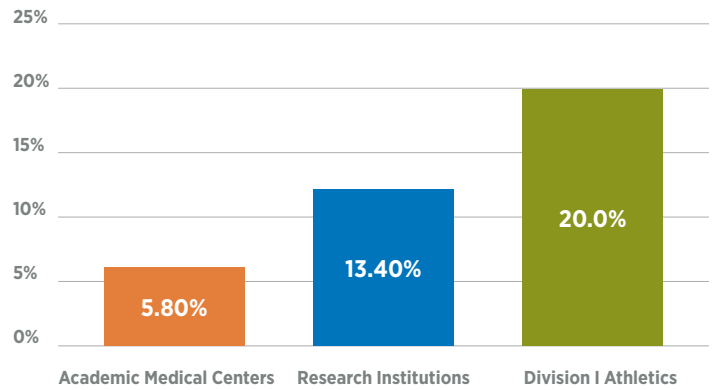
Aggregate Data

I. SURVEY RESPONDENTS

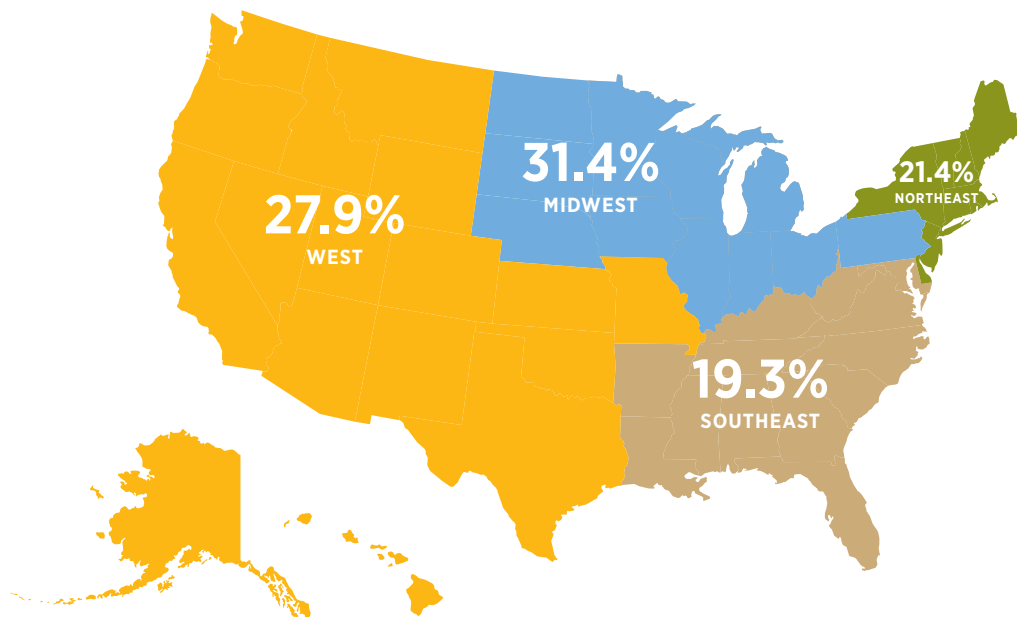
2022 Institution Type



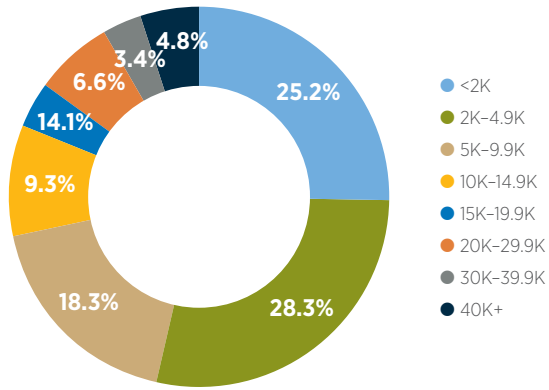
2022 Institution Sub-Types



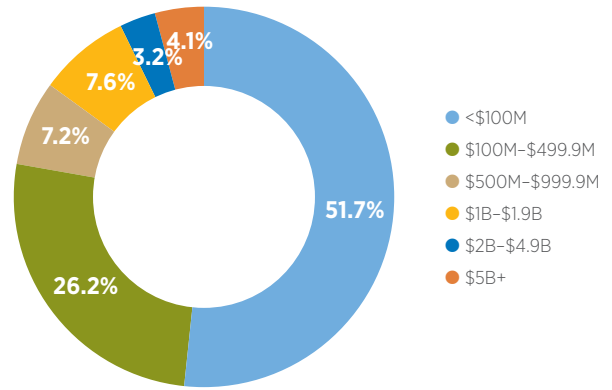
2022 Geographic Representation



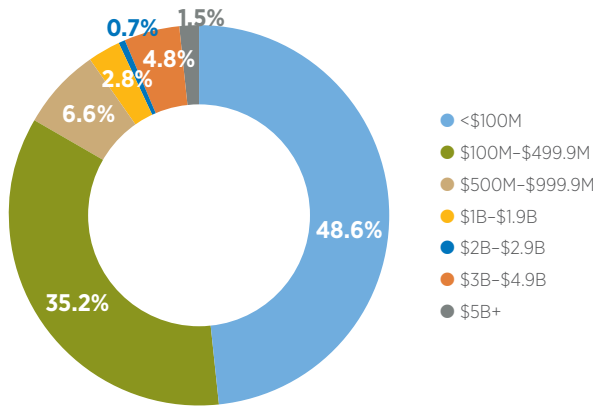
2022 Range of Enrollment (FTE)



2022 Range of Endowment

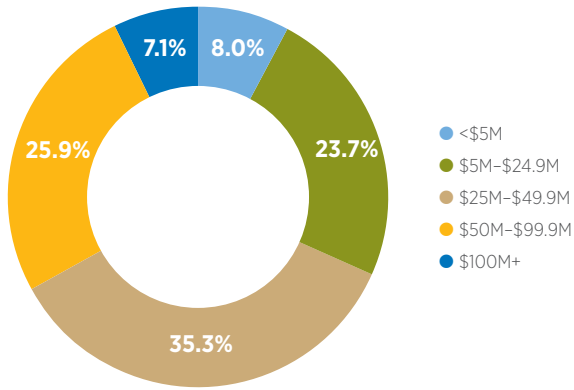


2022 Range of Operating Budget

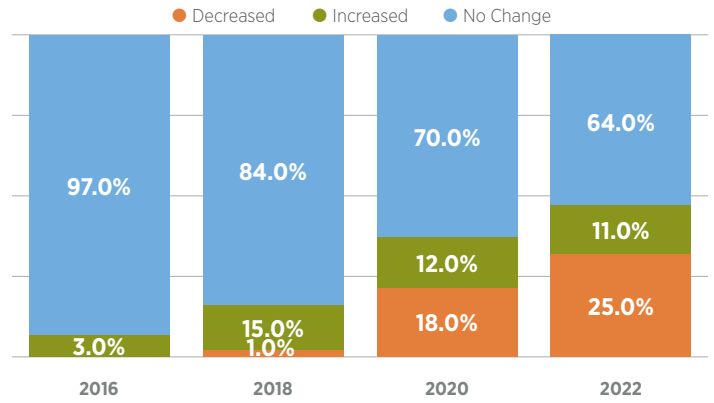


II. EXCESS LIABILITY

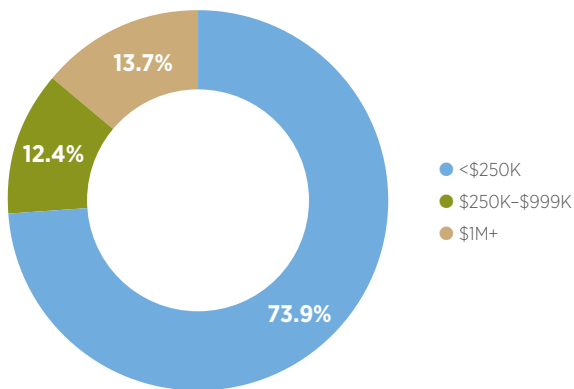
2022 Range of XL Limits



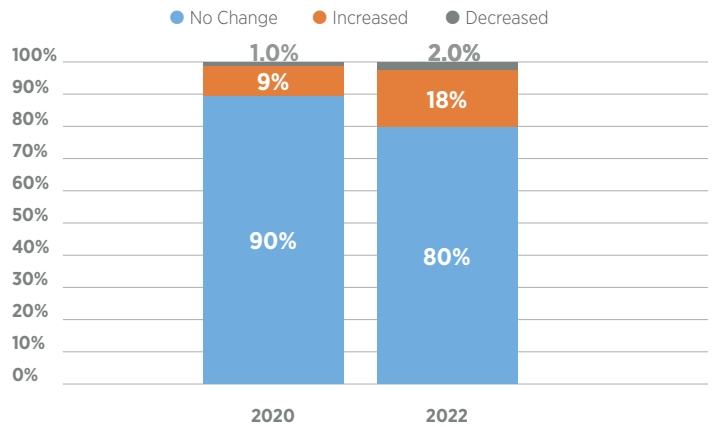
Changes in XL Limits by Year



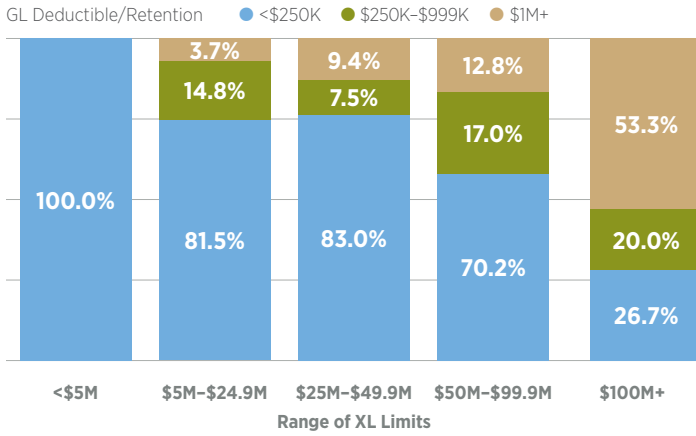
2022 Range of GL Deductible/Retention



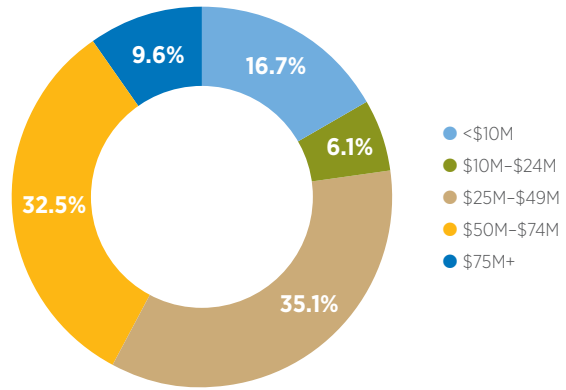
Change in Deductible: 2020 vs. 2022



2022 Range of XL Limits and GL Deductible/Retention



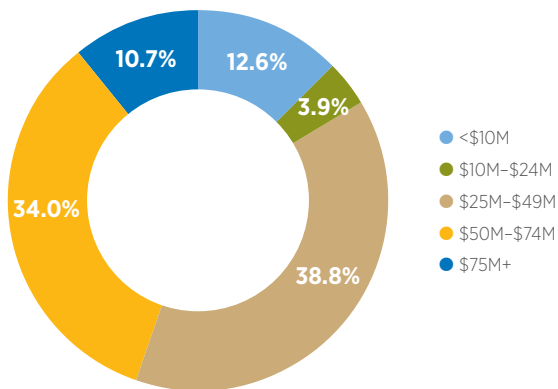
2022 Range of SAM Limits



5.1%

of respondents reported not having Sexual Abuse and Molestation (SAM) coverage in their XL program.

2022 Range of TBI Limits

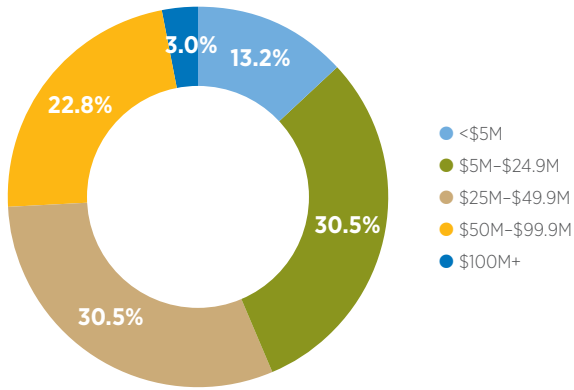


8.4%

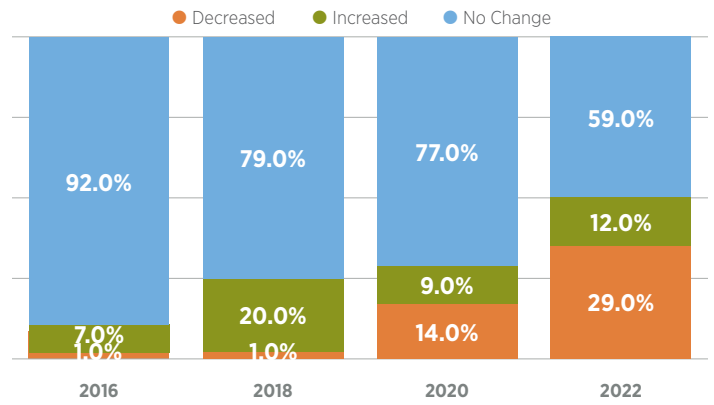
of respondents reported not having Traumatic Brain Injury (TBI) coverage in their XL program.

III. EDUCATORS LEGAL LIABILITY

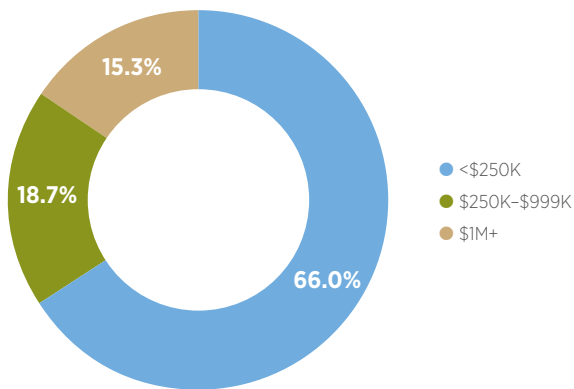
2022 Range of ELL Limits



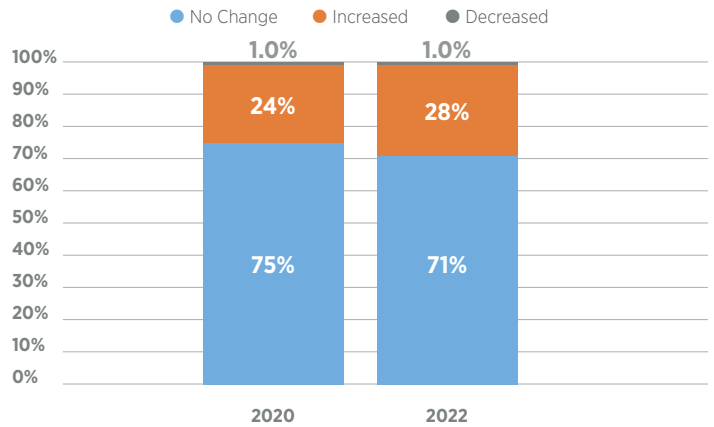
Changes in ELL Limits by Year



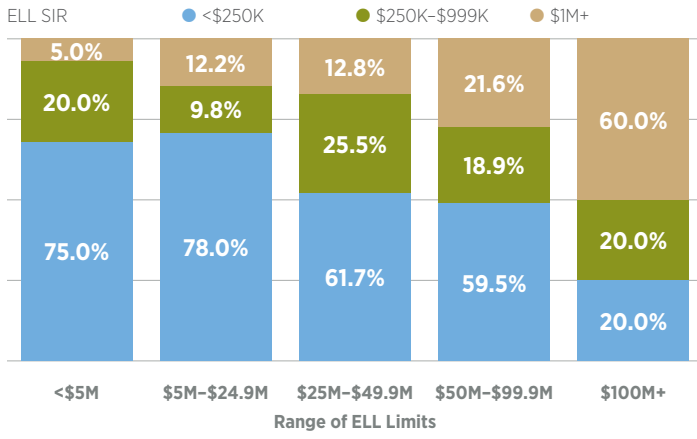
2022 Range of ELL Deductible/Retention



Change in ELL Deductible: 2020 vs. 2022

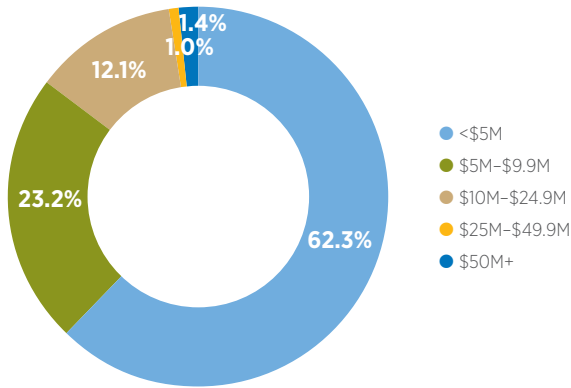


2022 Range of ELL Limits and ELL SIR

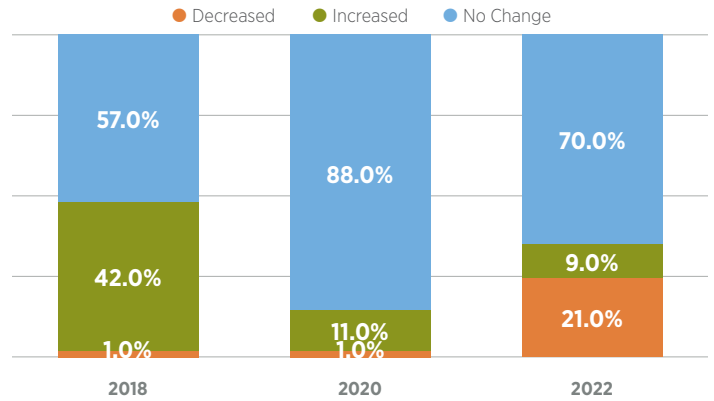


IV. CYBER LIABILITY

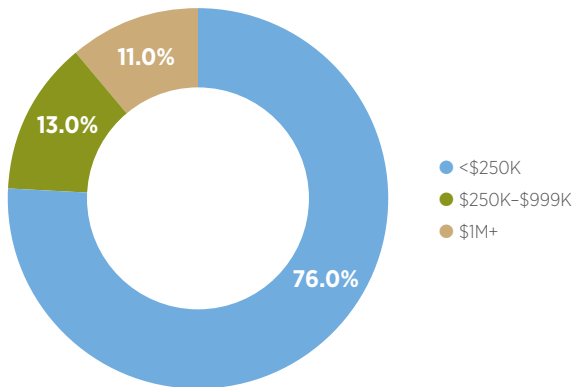
2022 Range of Cyber Limits



Changes in Cyber Limits by Year



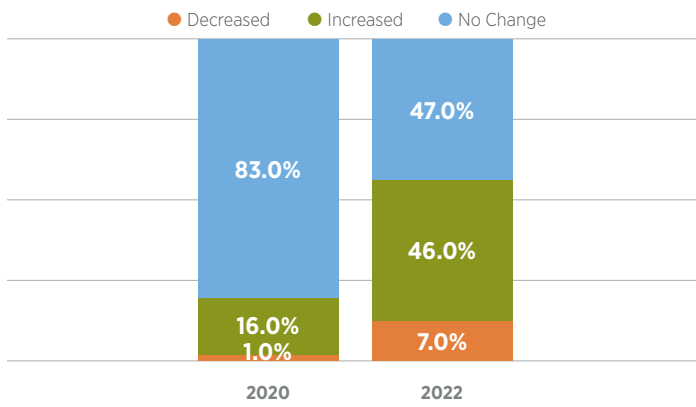
2022 Range of Cyber Deductible/Retention



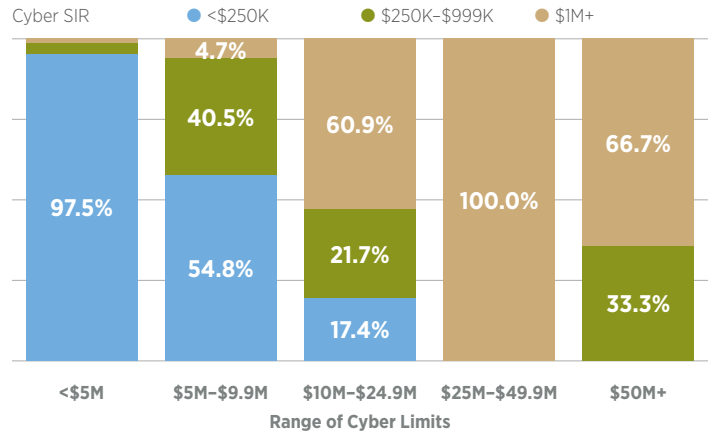
18% or respondents reported the addition of a sublimit.

3% of respondents added coinsurance.

Changes in Cyber Deductible/Retention by Year

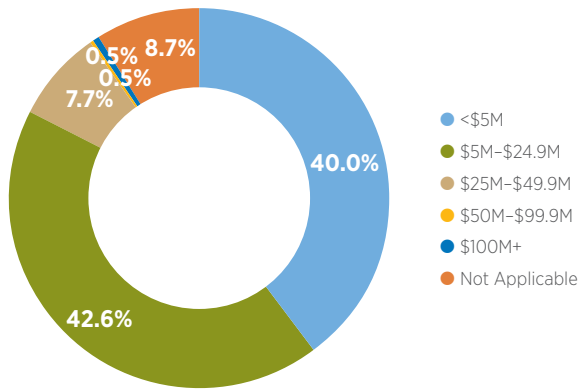


2022 Range of Cyber Limits and Cyber SIR

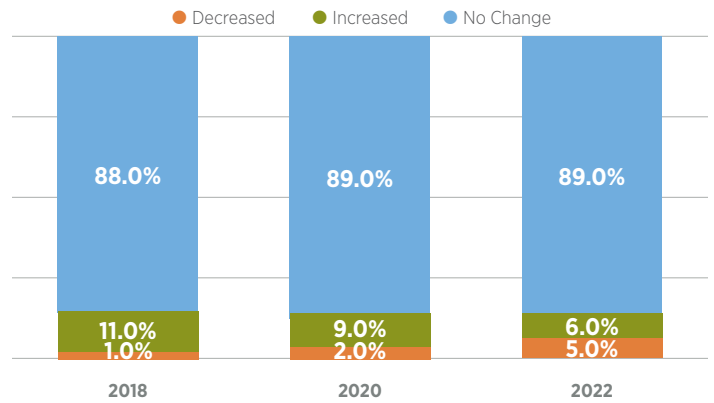


V. FIDUCIARY LIABILITY

2022 Range of Fiduciary Limits



Changes in Fiduciary Limits by Year



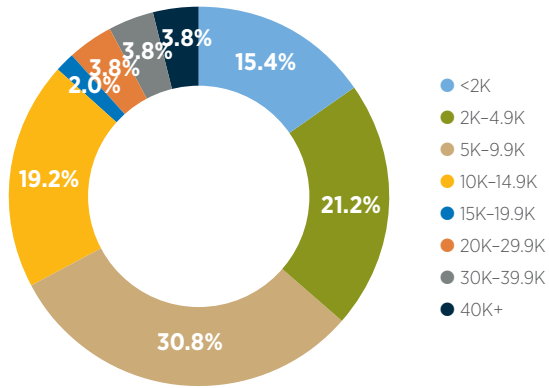
8% reported a reduction in excessive fee limit in the last two years.

SURVEY RESULTS

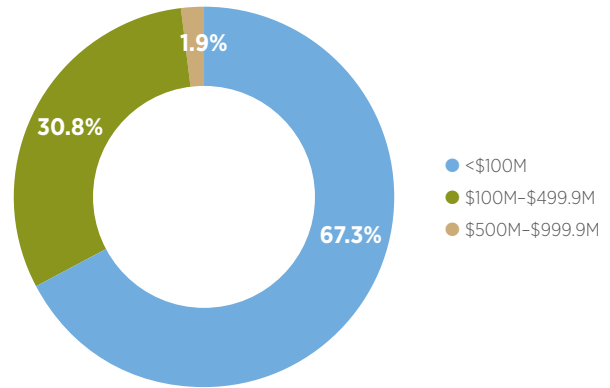
Two-Year Institutions

I. SURVEY RESPONDENTS

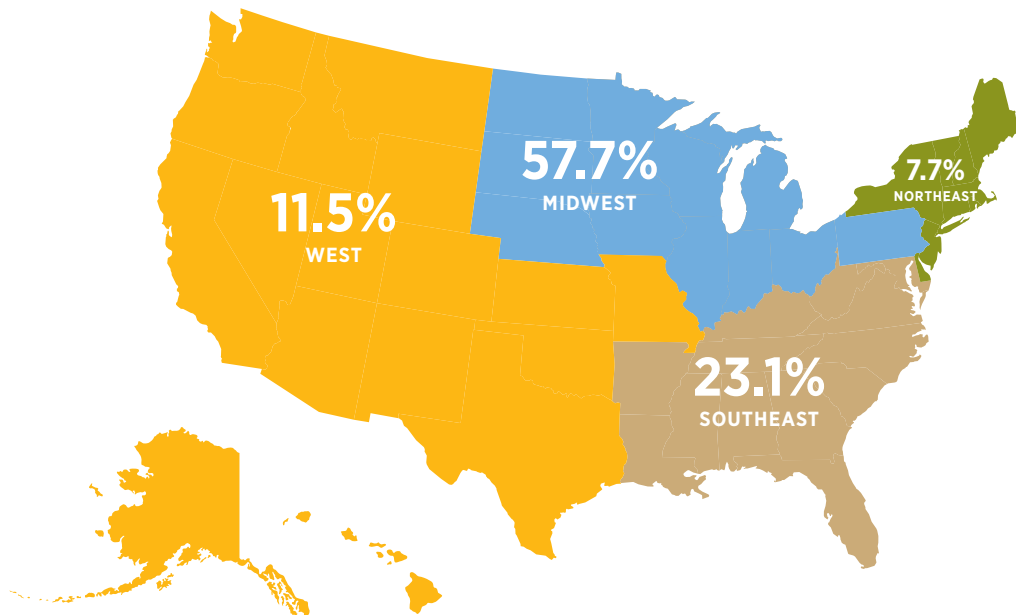
2022 Range of Enrollment (FTE)



2022 Range of Operating Budget

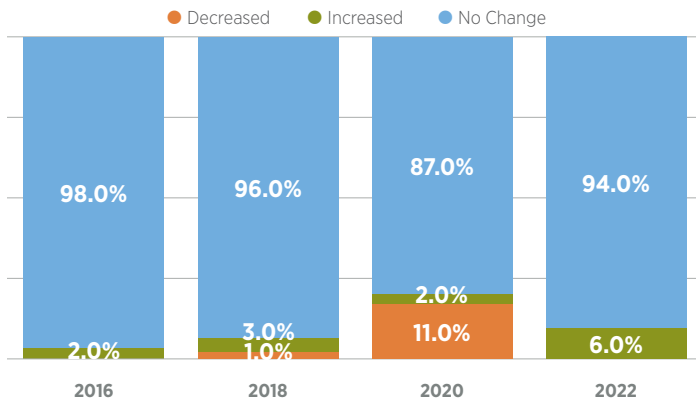


2022 Geographic Representation

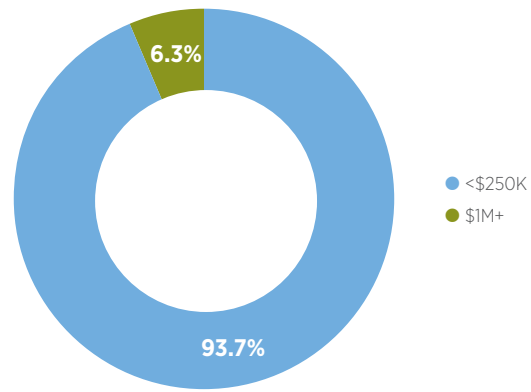


II. EXCESS LIABILITY

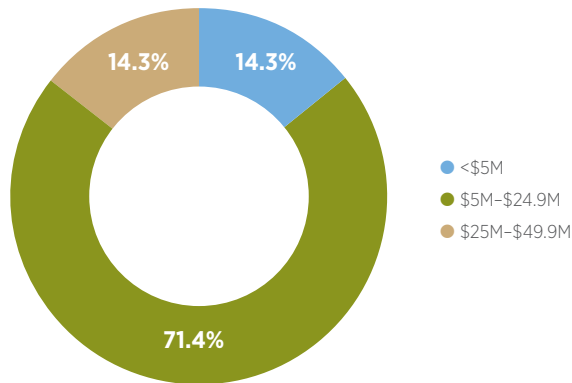
Changes in XL Limits by Year



2022 Range of GL Deductible/Retention



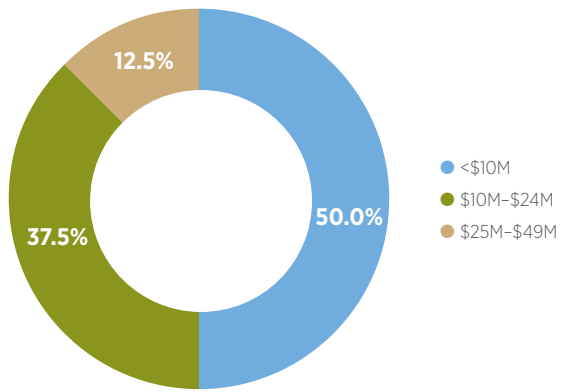
2022 Range of XL Limits and GL Deductible/Retention



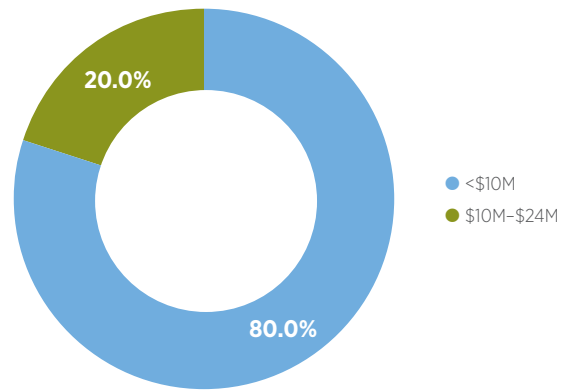
100% of respondents reported a deductible of <\$250K

TWO-YEAR INSTITUTIONS

2022 Range of SAM Limits

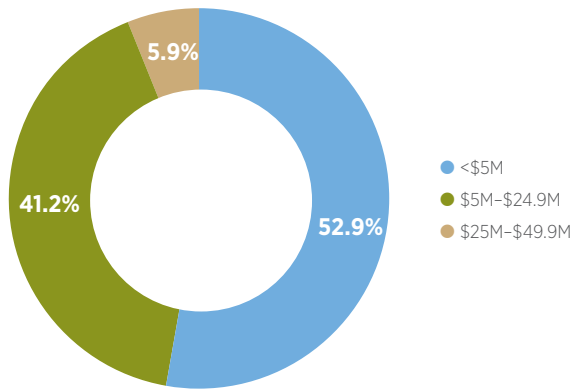


2022 Range of TBI Limits

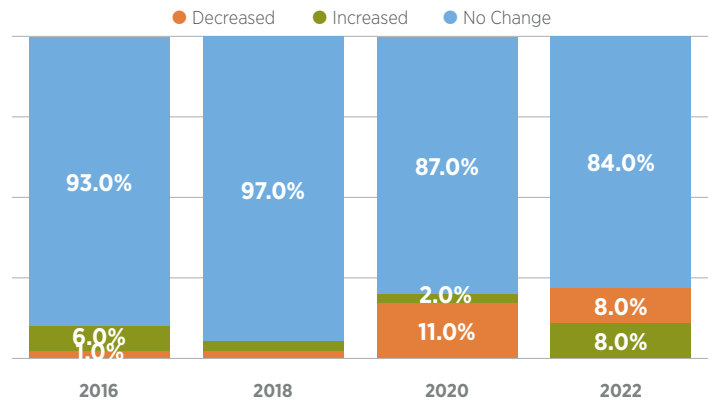


III. EDUCATORS LEGAL LIABILITY

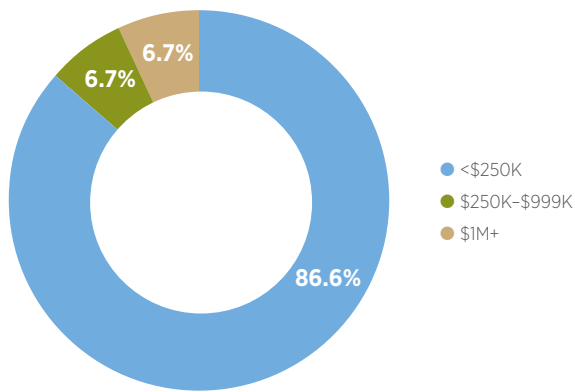
2022 Range of ELL Limits



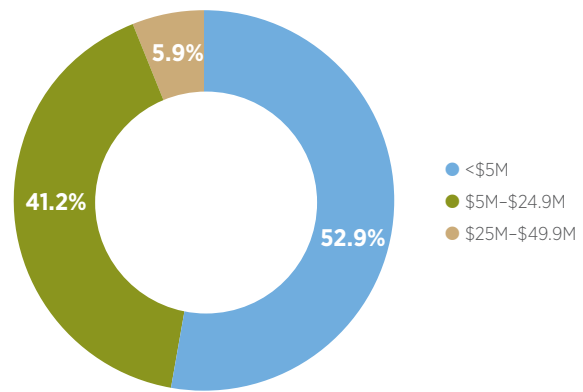
Changes in ELL Limits by Year



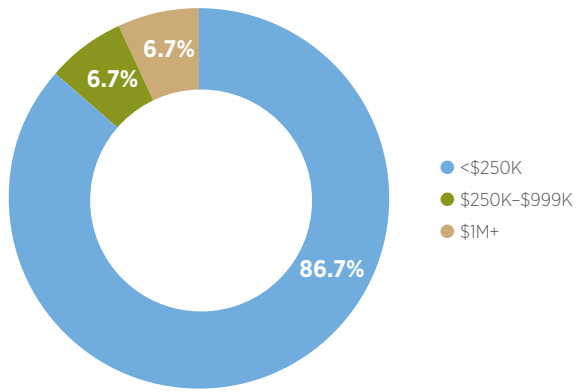
2022 Range of ELL Deductible/Retention



2022 Range of ELL Limits

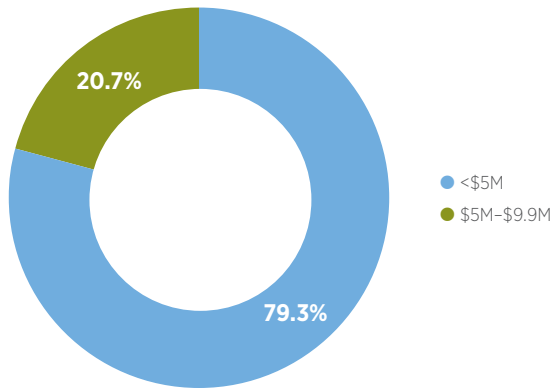


2022 Range of ELL Deductible/Retention

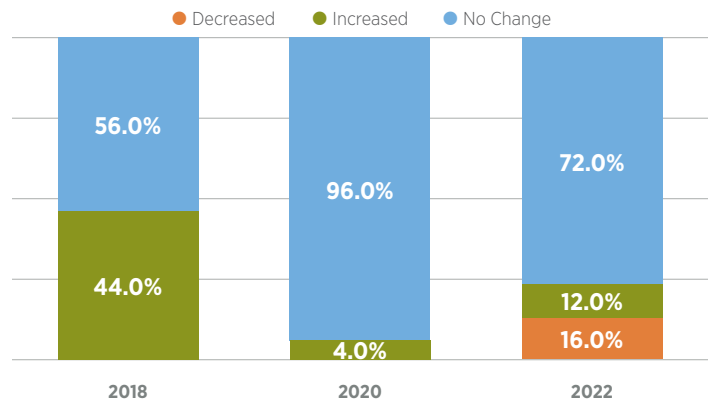


IV. CYBER LIABILITY

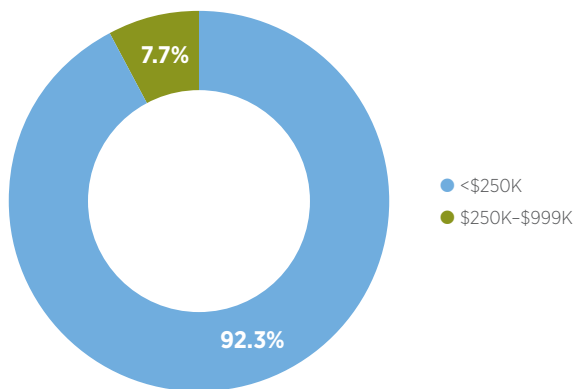
2022 Range of Cyber Limits



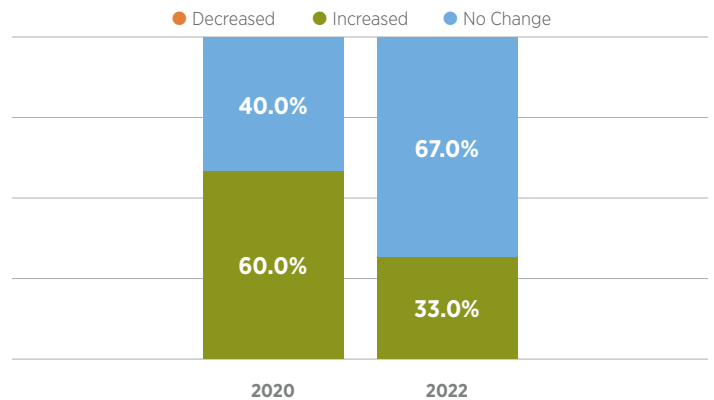
Changes in Cyber Limits by Year



2022 Range of Cyber Deductible/Retention

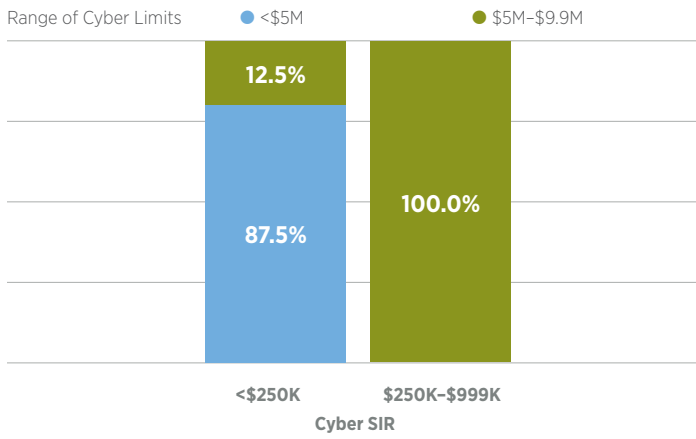


Changes in Cyber SIR by Year



TWO-YEAR INSTITUTIONS

2022 Range of Cyber Limits and Cyber SIR



33%

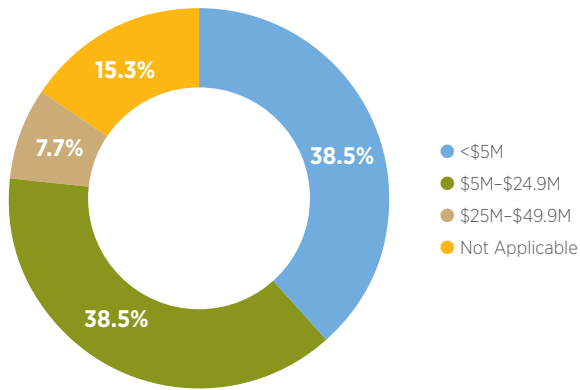
of respondents added a sublimit to their Cyber Extortion Coverage.

11%

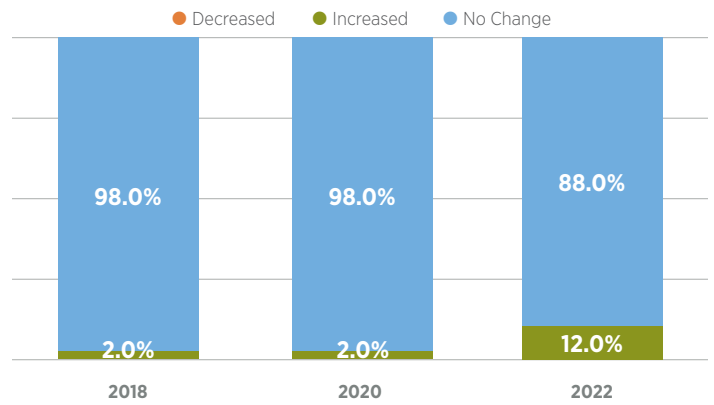
of respondents added coinsurance to their Cyber Extortion Coverage.

V. FIDUCIARY LIABILITY

2022 Range of Fiduciary Limits



Changes in Fiduciary Limits by Year



100%

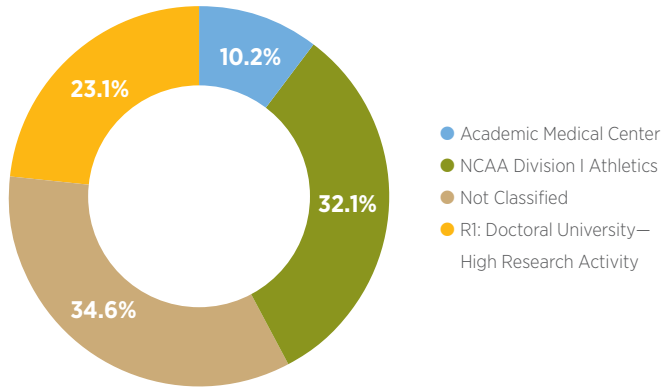
of respondents reported no change in excessive fee limits over the last two years.

SURVEY RESULTS

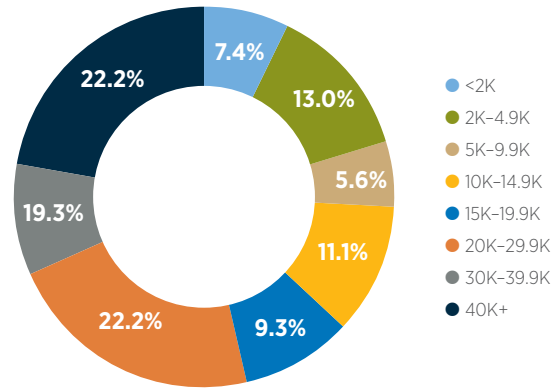
Four-Year Public Universities

I. SURVEY RESPONDENTS

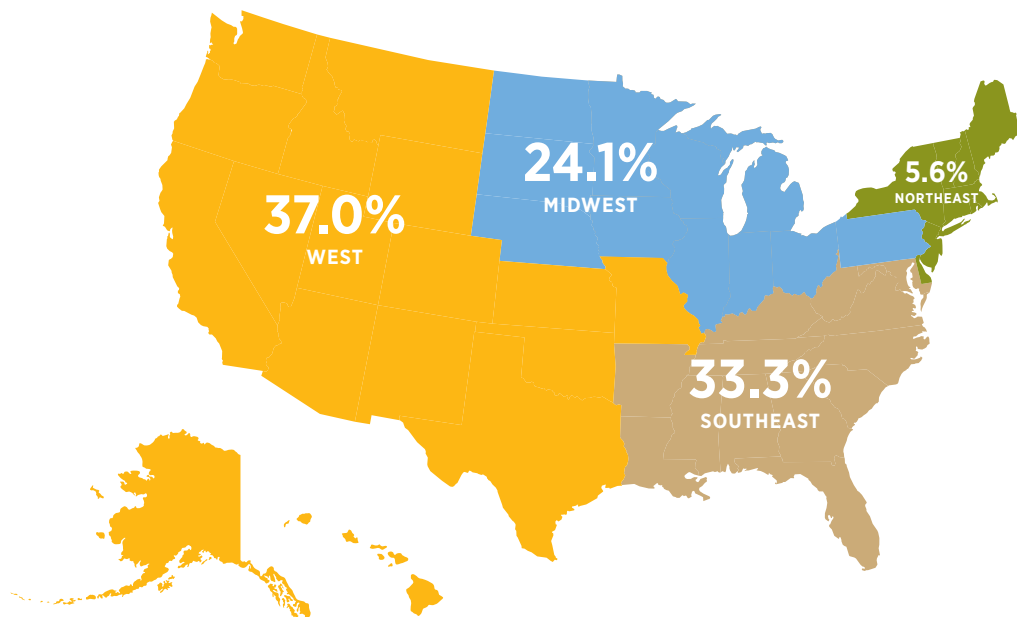
2022 Institutional Classification



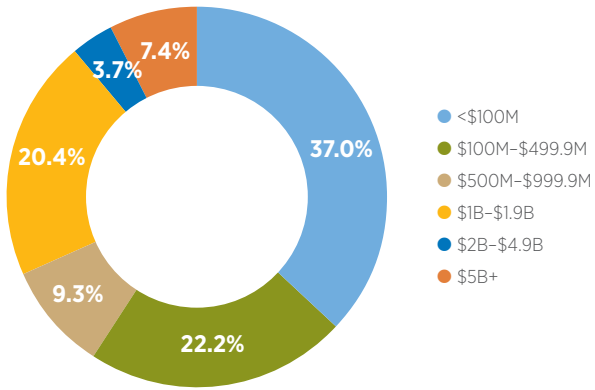
2022 Range of Enrollment (FTE)



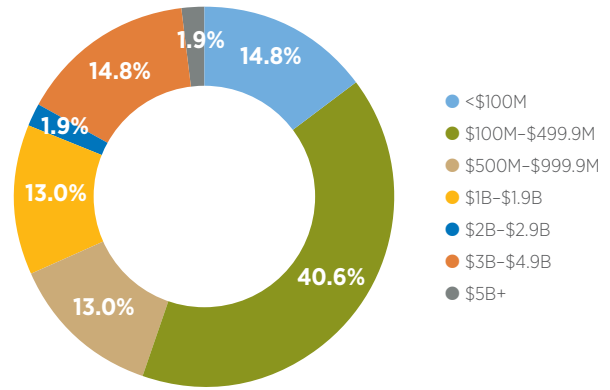
2022 Regional Divisions



2022 Range of Endowment

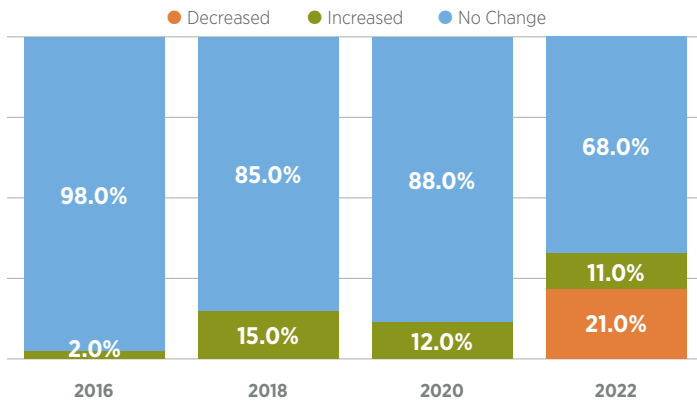


2022 Range of Operating Budget

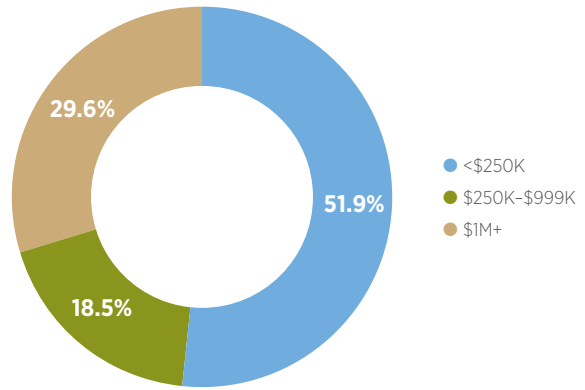


II. EXCESS LIABILITY

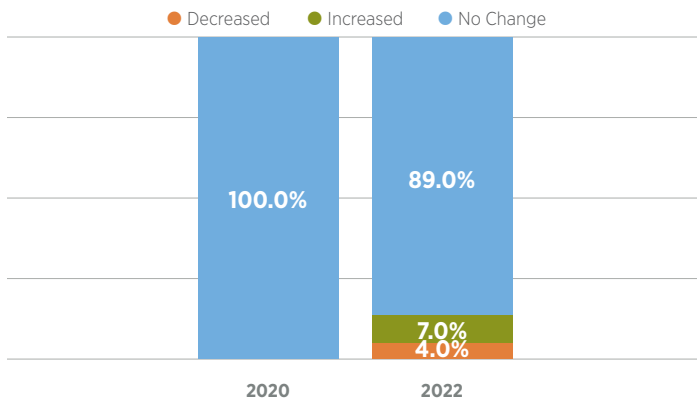
Changes in XL Coverage by Year



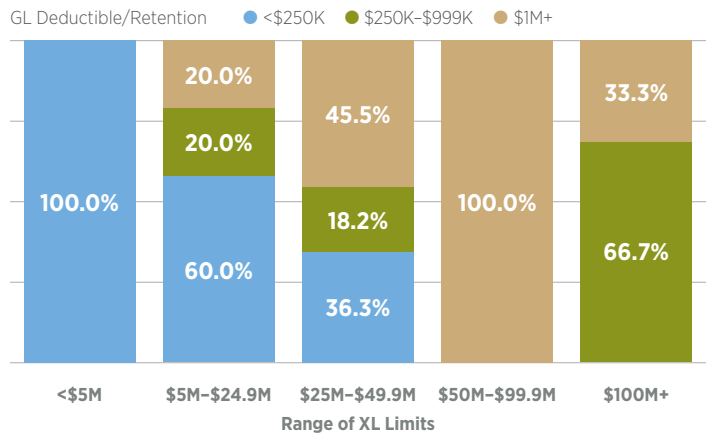
2022 Range of GL Deductible/Retention



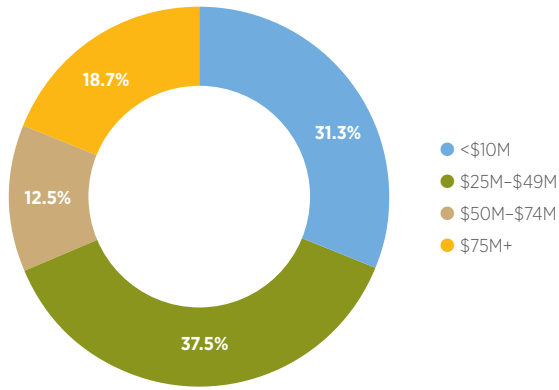
Changes in GL Deductible/Retention by Year



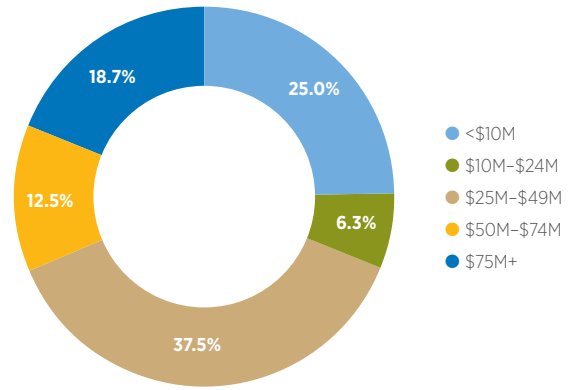
2022 Range of XL Limits and GL Deductible/Retention



2022 Range of SAM Limits

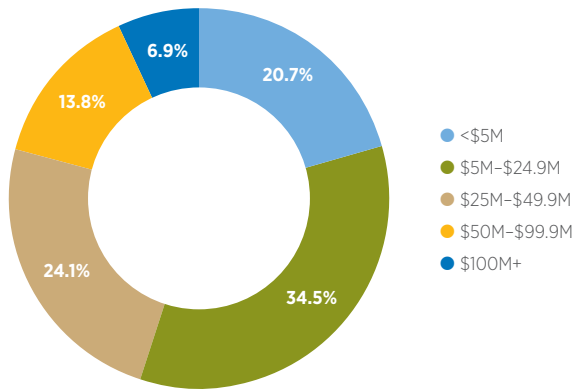


2022 Range of TBI Limits

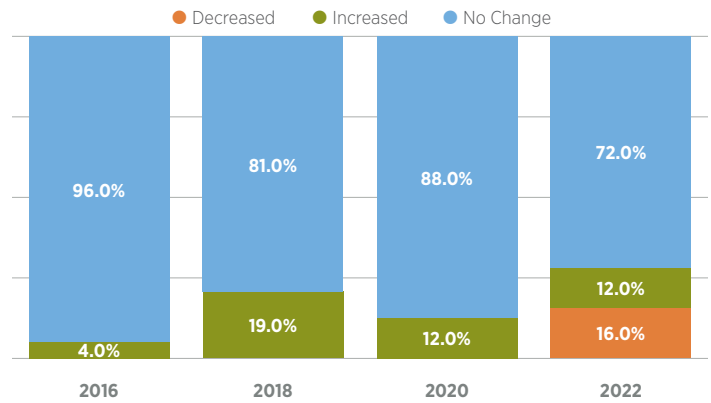


III. EDUCATORS LEGAL LIABILITY

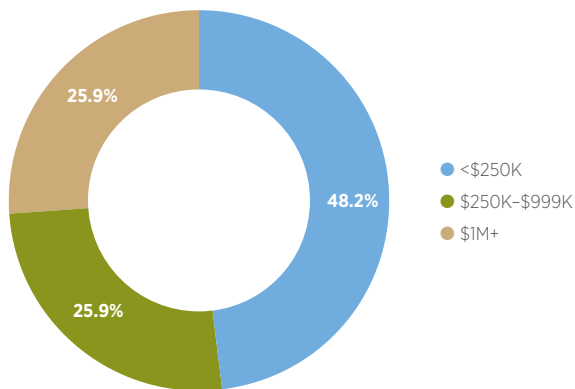
2022 Range of ELL Limits



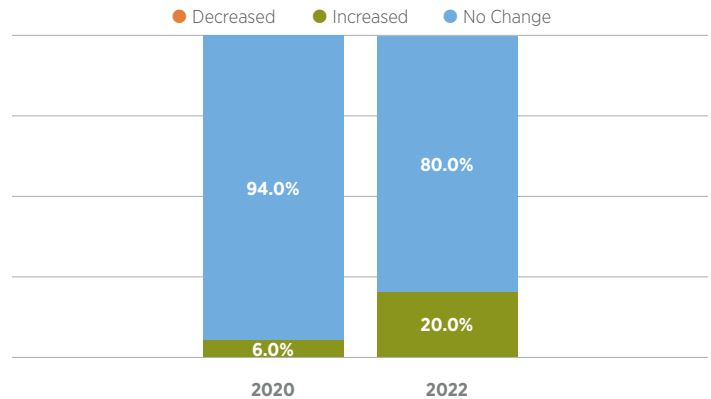
Changes in ELL Limits by Year



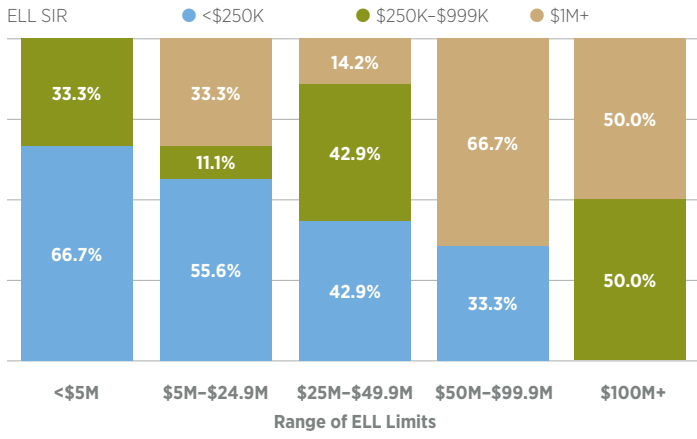
2022 Range of ELL Deductible/Retention



Changes in ELL SIR by Year

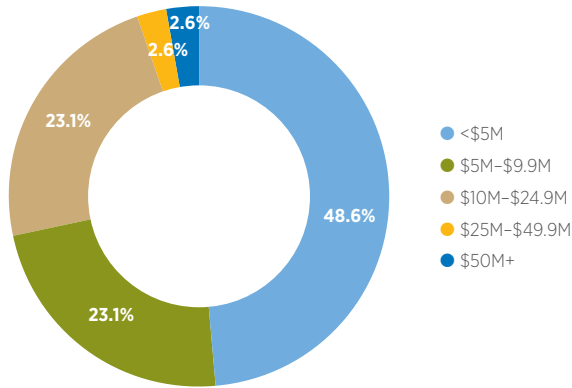


2022 Range of ELL Limits and ELL SIR

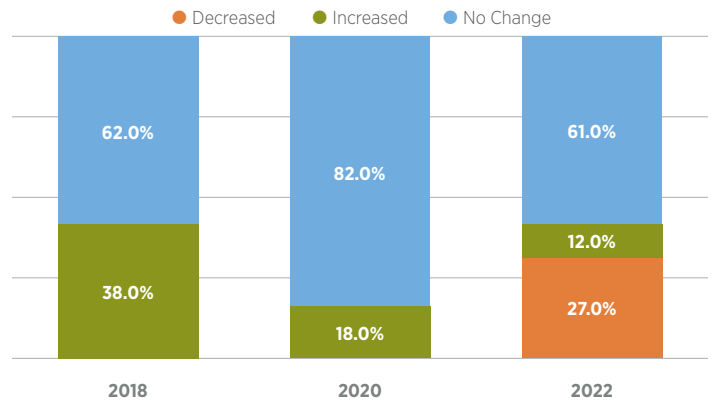


IV. CYBER LIABILITY

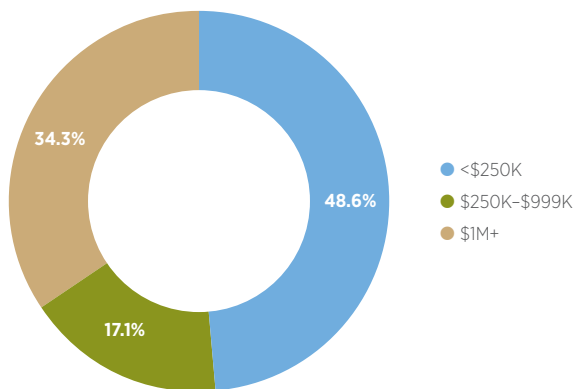
2022 Range of Cyber Limits



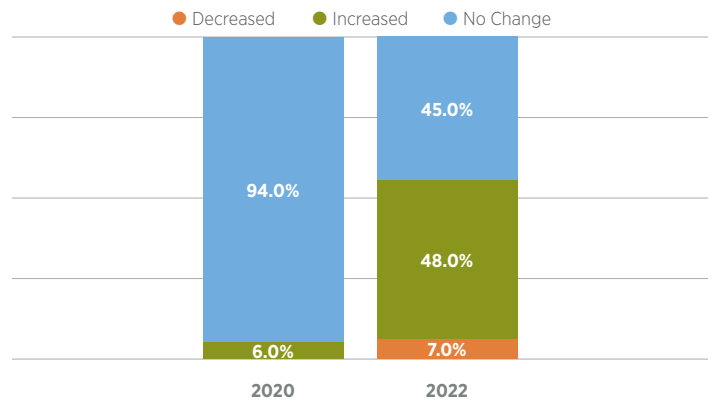
Changes in Cyber Limits by Year



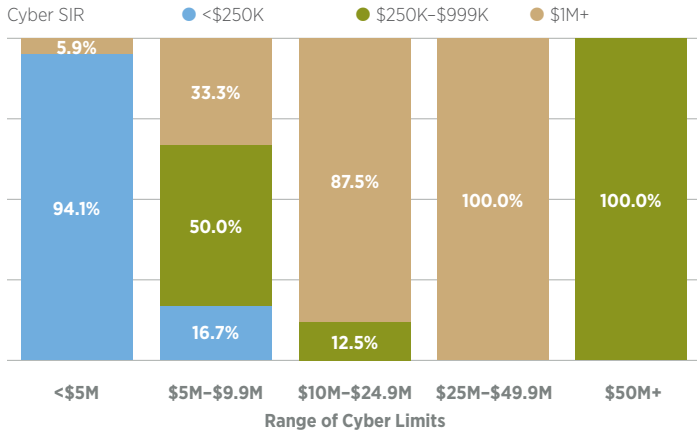
2022 Range of Cyber Deductible/Retention



Changes in Cyber SIR by Year

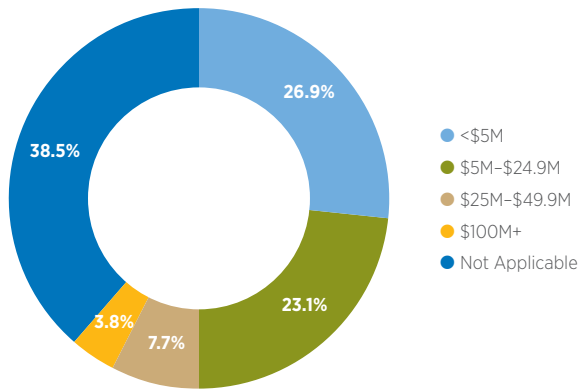


2022 Range of Cyber Limits and Cyber SIR

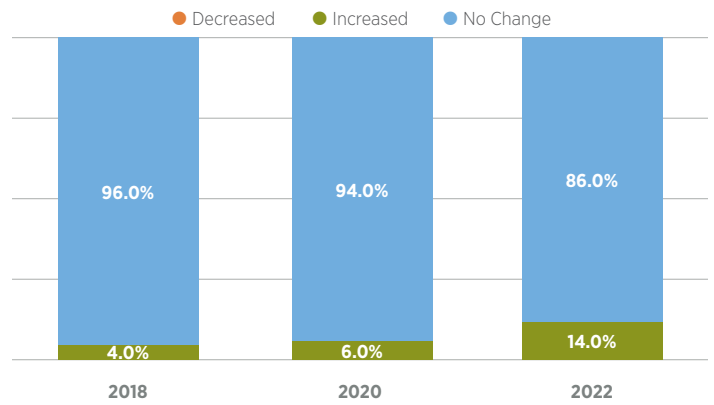


V. FIDUCIARY LIABILITY

2022 Range of Fiduciary Limits



Changes in Fiduciary Limits by Year

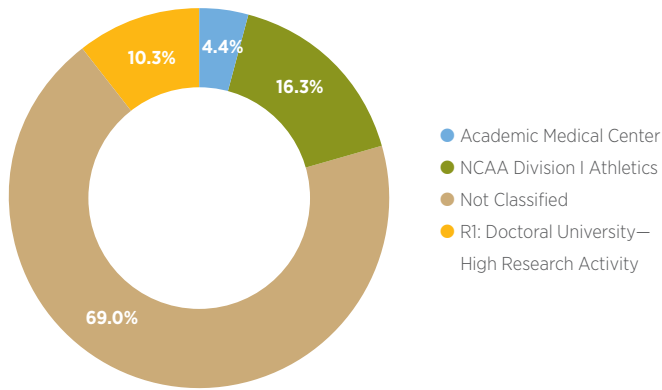


SURVEY RESULTS

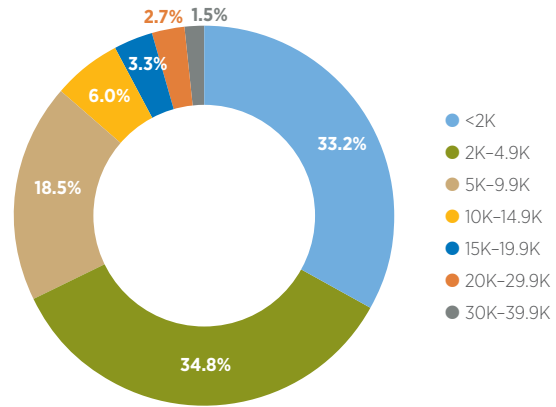
Four-Year Private Colleges and Universities

I. SURVEY RESPONDENTS

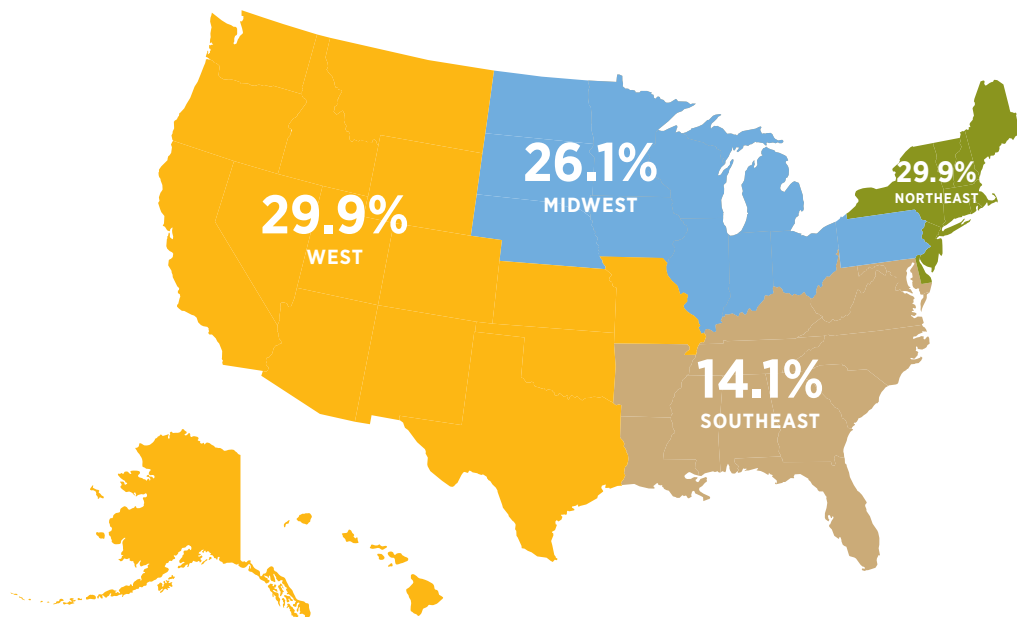
2022 Institutional Classification



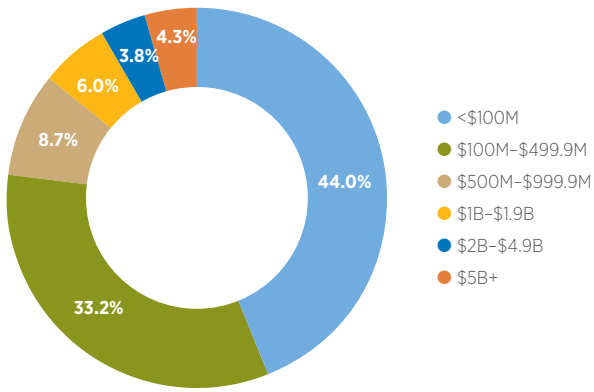
2022 Range of Enrollment (FTE)



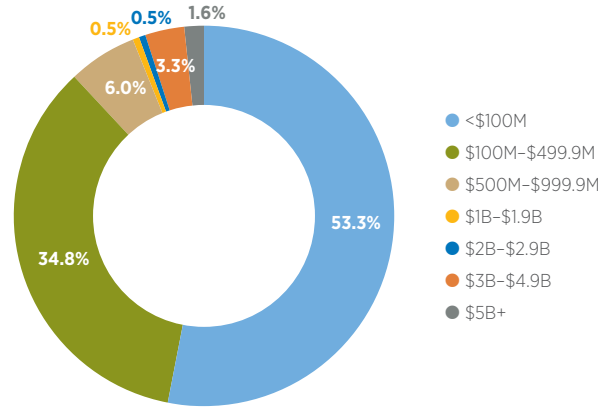
2022 Geographic Representation



2022 Range of Endowment

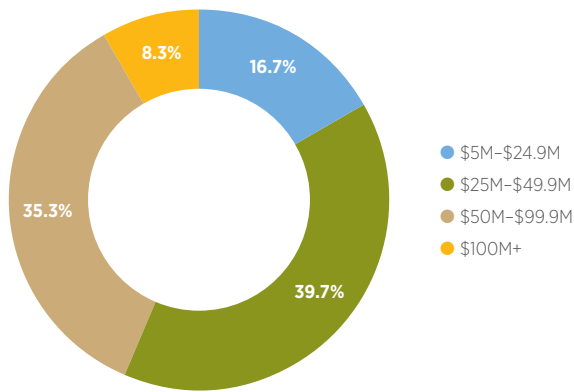


2022 Range of Operating Budget

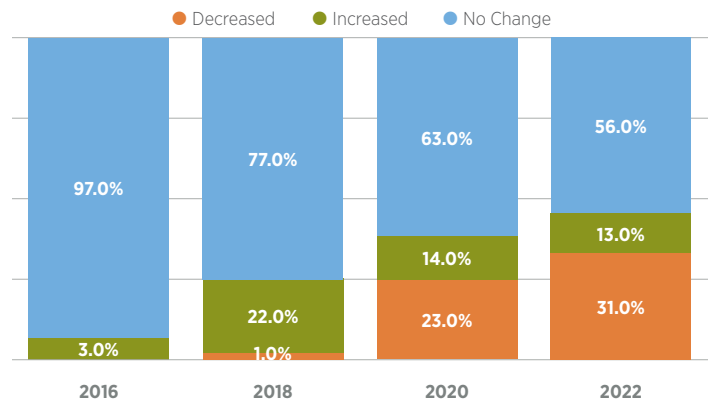


II. EXCESS LIABILITY

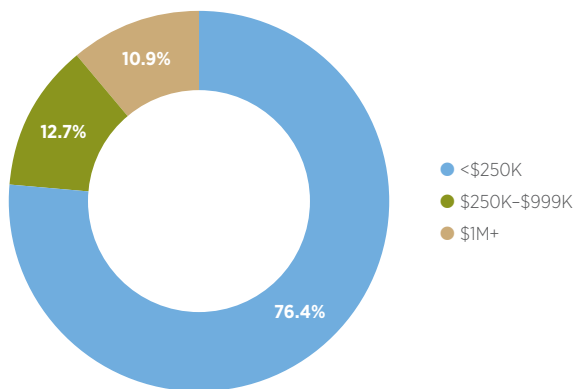
2022 Range of XL Limits



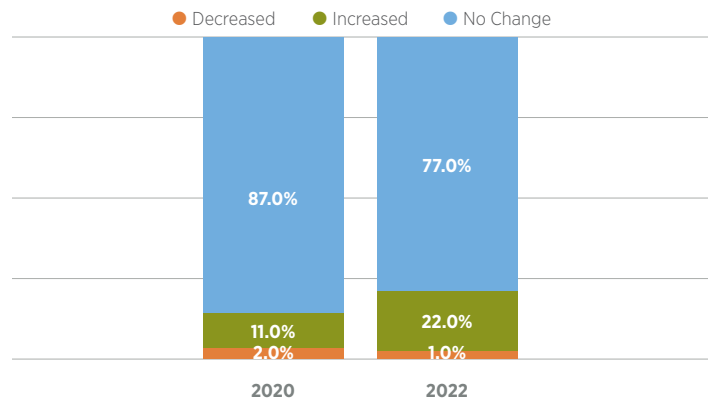
Changes in XL Limits by Year



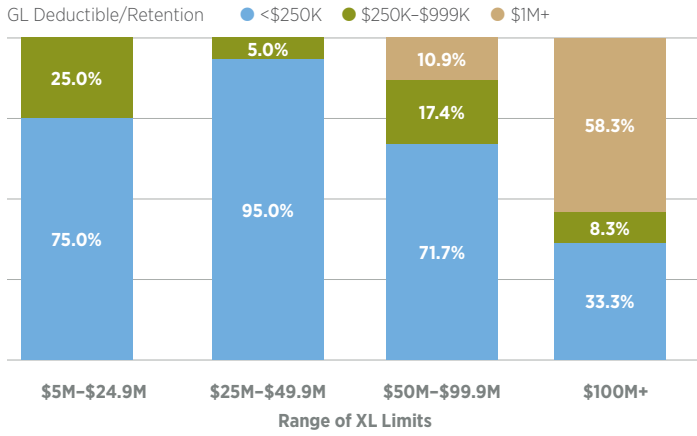
2022 Range of GL Deductible/Retention



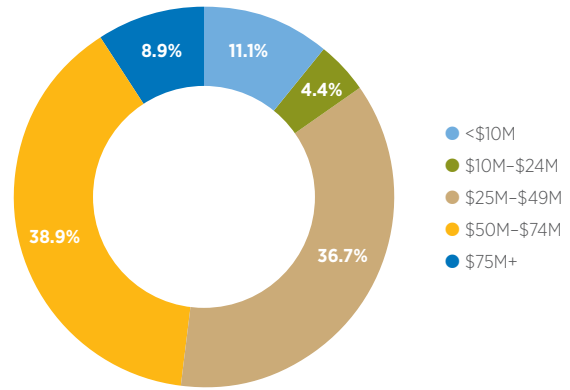
Changes in GL Deductible/Retention by Year



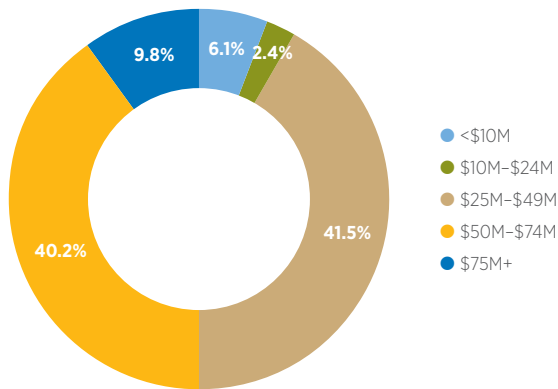
2022 Range of XL Limits and GL Deductible/Retention



2022 Range of SAM Limits

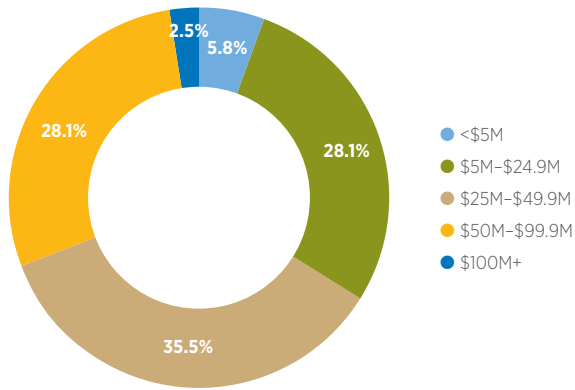


2022 Range of TBI Limits

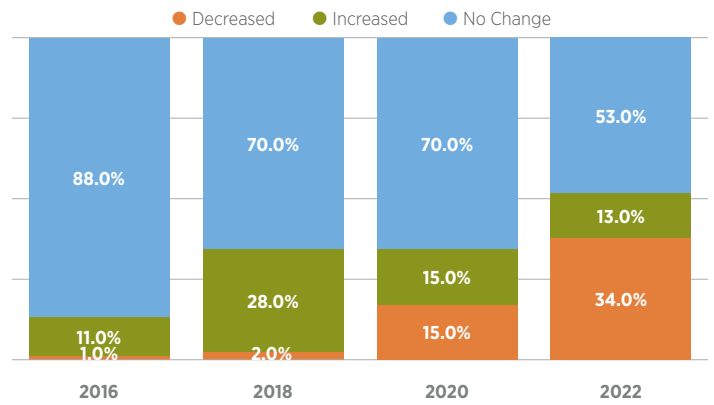


III. EDUCATORS LEGAL LIABILITY

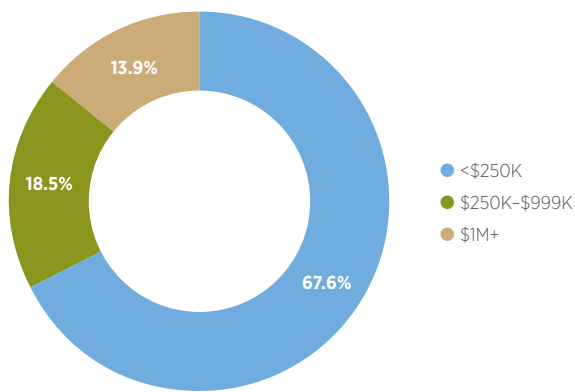
2022 Range of ELL Limits



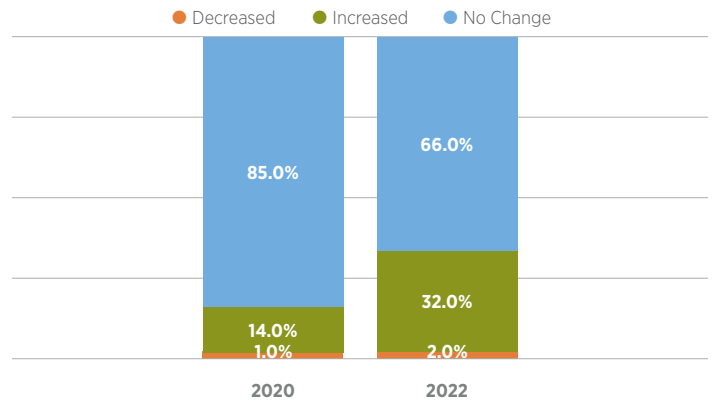
Changes in ELL Limits by Year



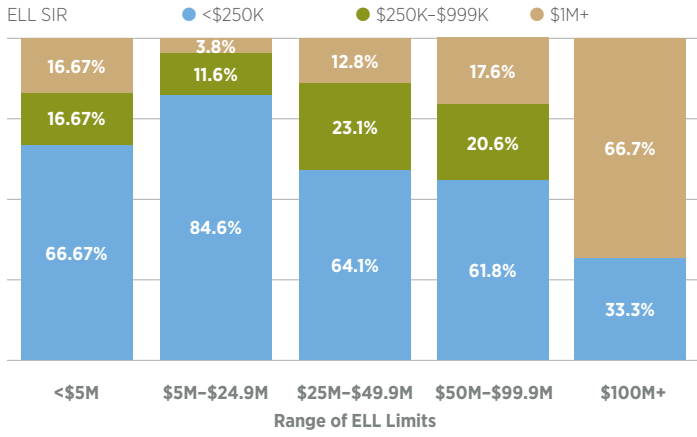
2022 Range of ELL Deductible/Retention



Changes in ELL SIR by Year

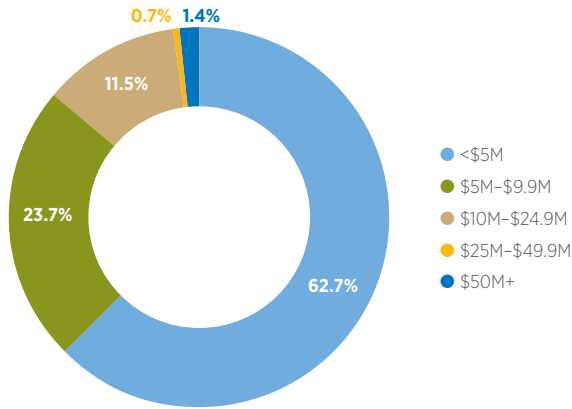


2022 Range of ELL Limits and ELL SIR

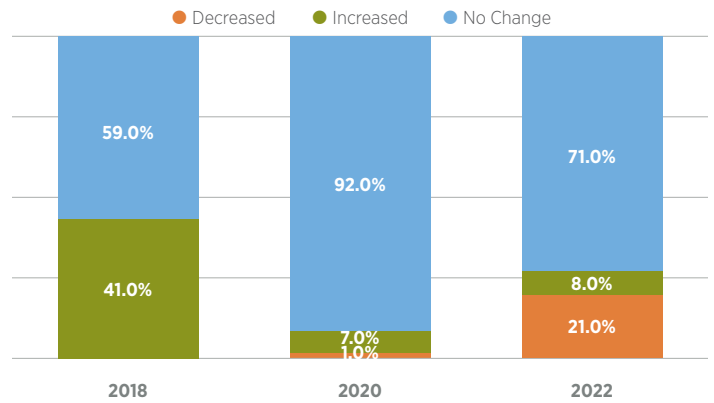


IV. CYBER LIABILITY

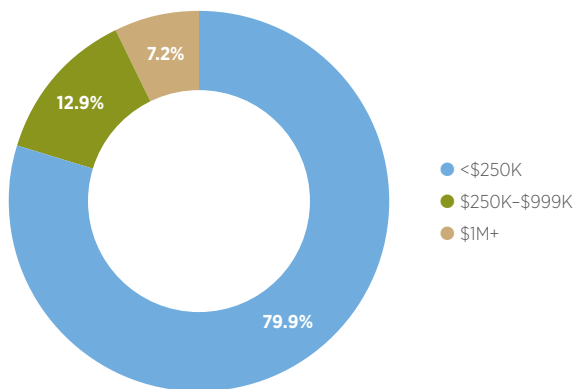
2022 Range of Cyber Limits



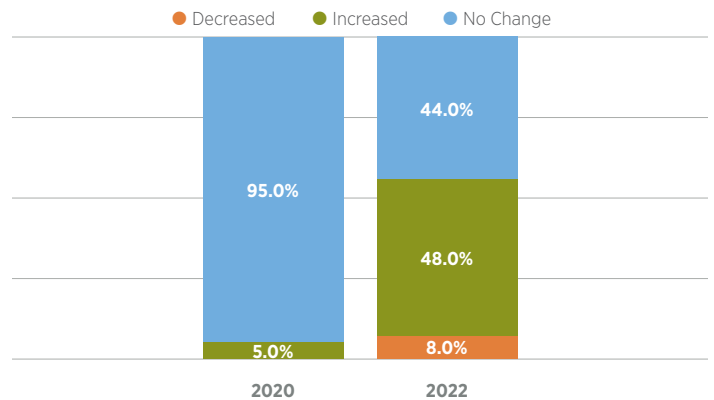
Changes in Cyber Limits by Year



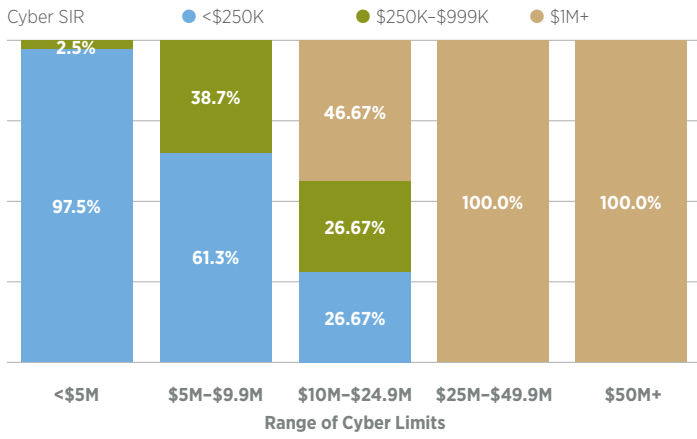
2022 Range of Cyber Deductible/Retention



Changes in Cyber SIR by Year



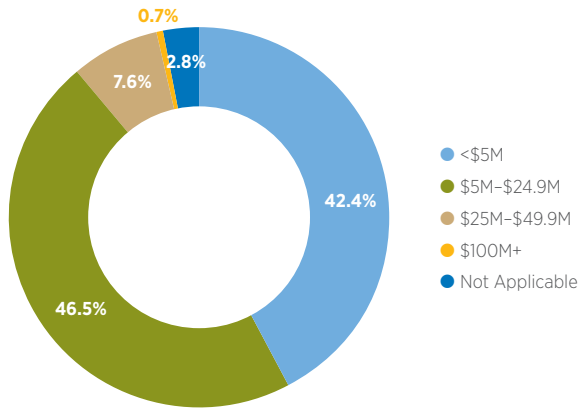
2022 Range of Cyber Limits and Cyber SIR



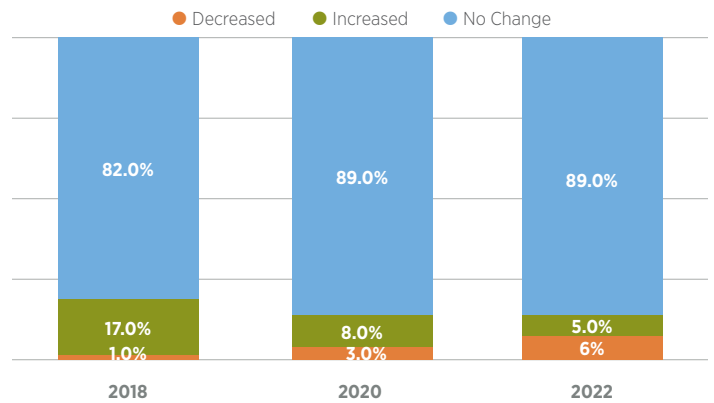
17% of respondents added a sublimit to their cyber extortion coverage.

V. FIDUCIARY LIABILITY

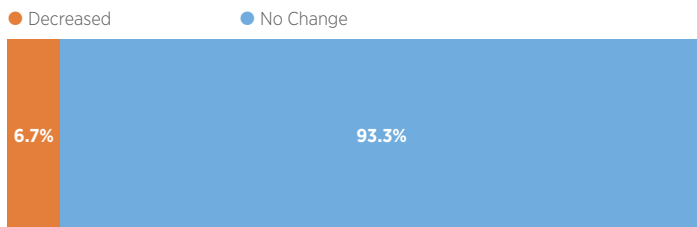
2022 Range of Fiduciary Limits



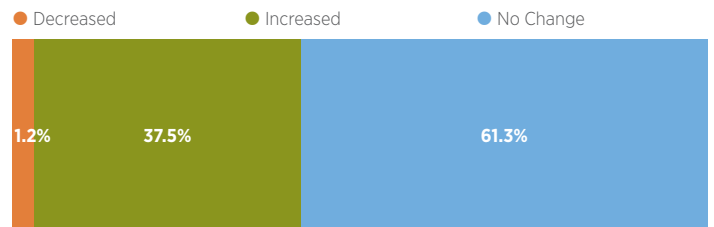
Changes in Fiduciary Limits by Year



2022: Has your excessive fee limit (or sublimit) changed in the last two years?



2022: Has your excessive fee limit (or sublimit) changed in the last two years?

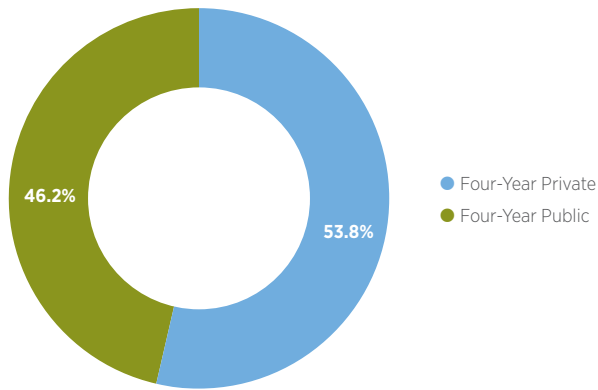


SURVEY RESULTS

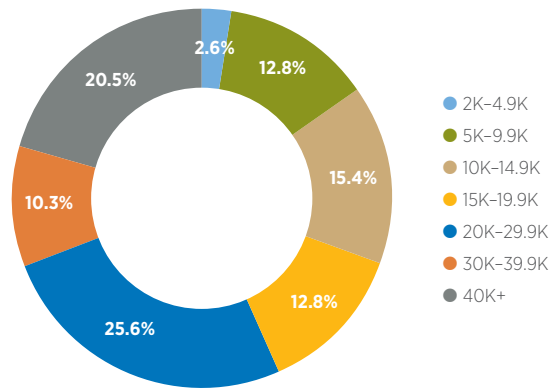
Doctoral University – High Research

I. SURVEY RESPONDENTS

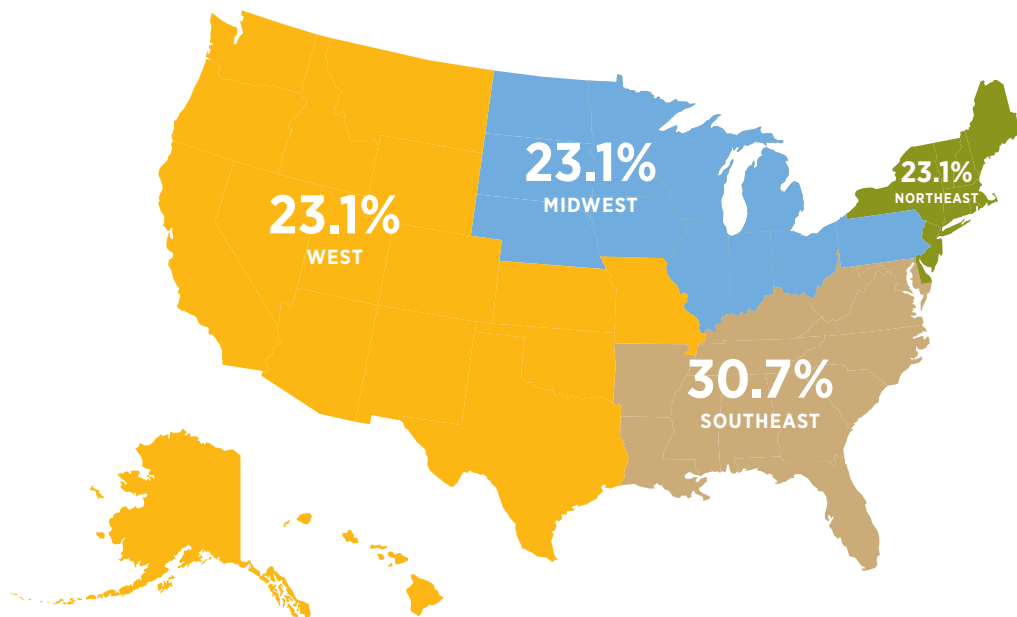
2022 Institution Type



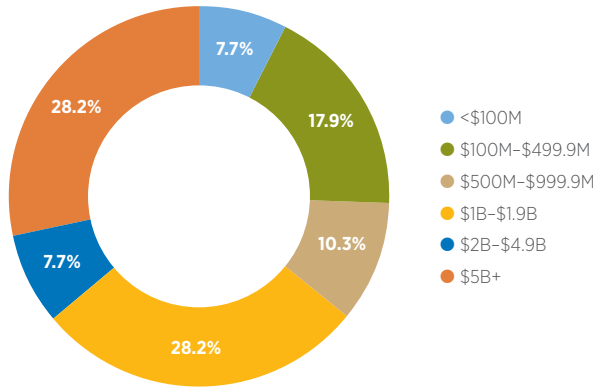
2022 Range of Enrollment (FTE)



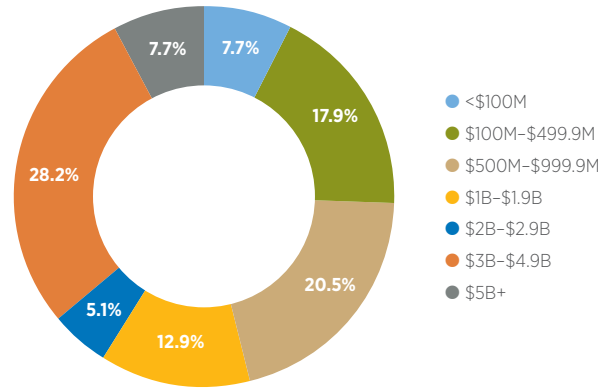
2022 Geographic Representation



2022 Range of Endowment

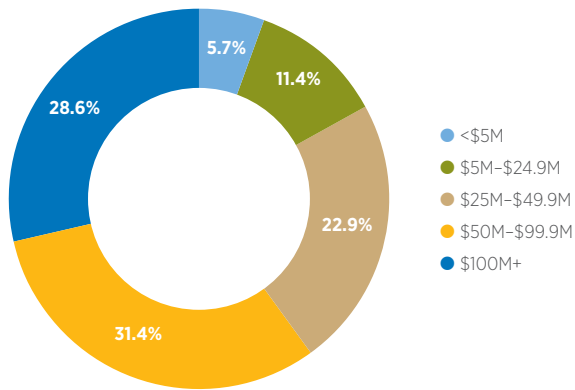


2022 Range of Operating Budget

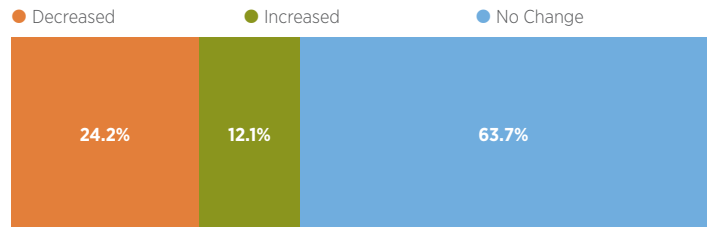


II. EXCESS LIABILITY

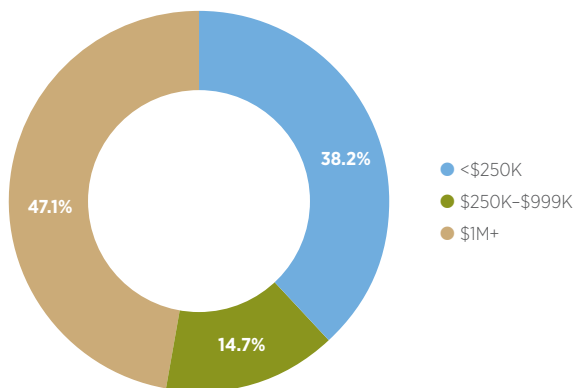
2022 Range of XL Limits



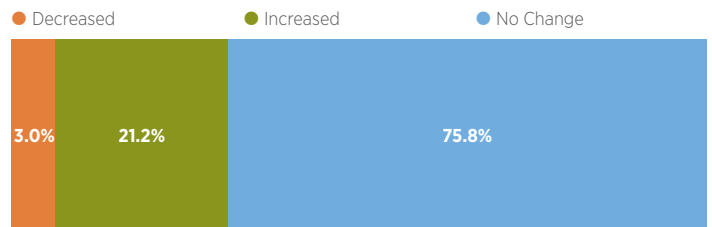
2022 Changes in XL Coverage



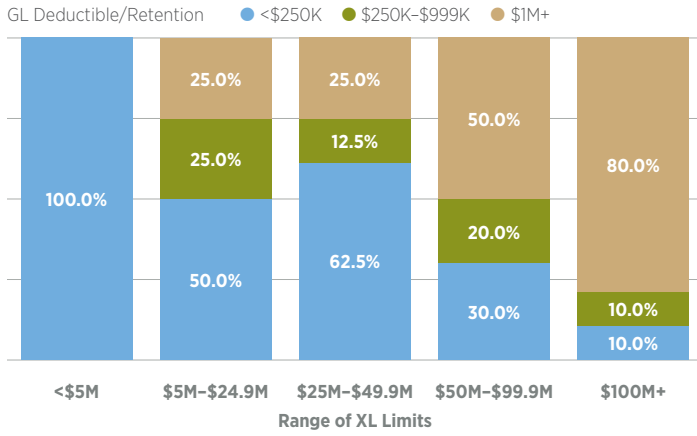
2022 Range of GL Deductible/Retention



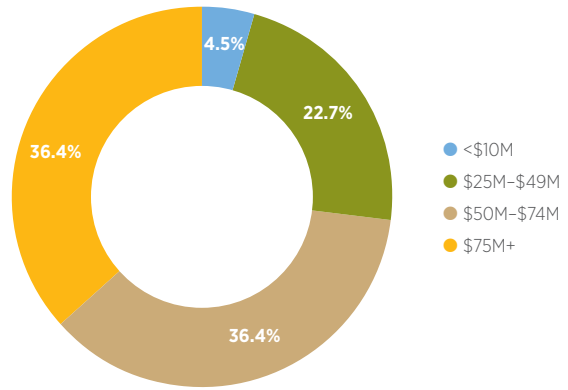
2022 Changes in GL Deductible/Retention



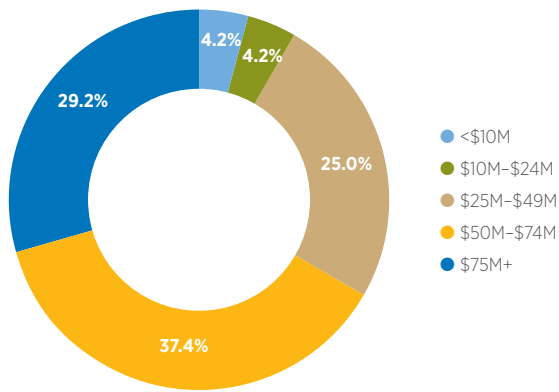
2022 Range of XL Limits and GL Deductible/Retention



2022 Range of SAM Limits

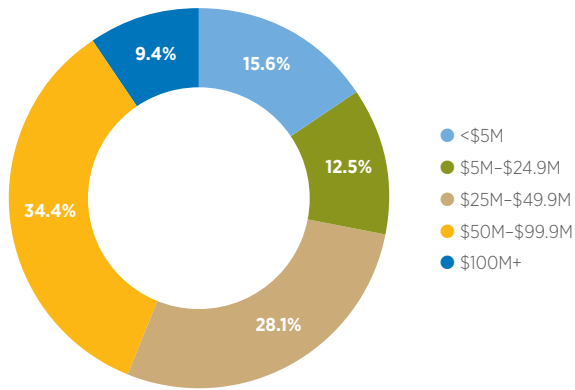


2022 Range of TBI Limits

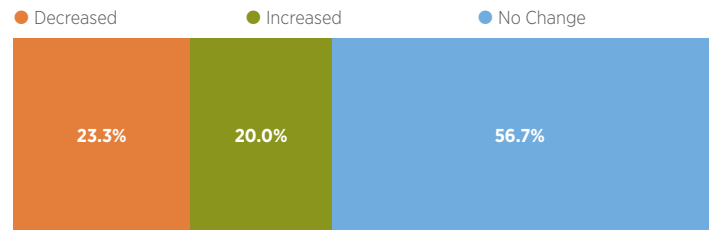


III. EDUCATORS LEGAL LIABILITY

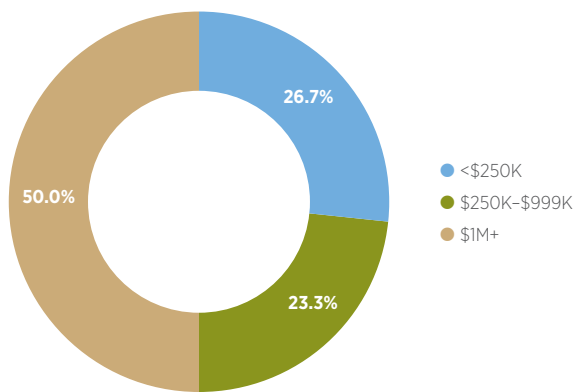
2022 Range of ELL Limits



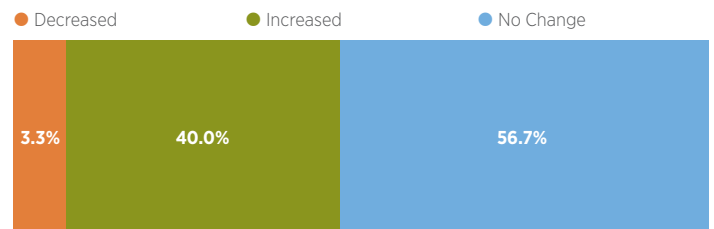
2022 Changes in ELL Coverage



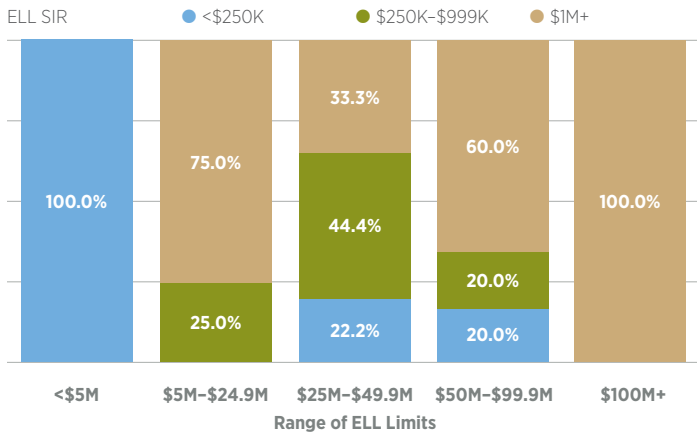
2022 Range of ELL Deductible/Retention



2022 Changes in ELL Deductible/Retention

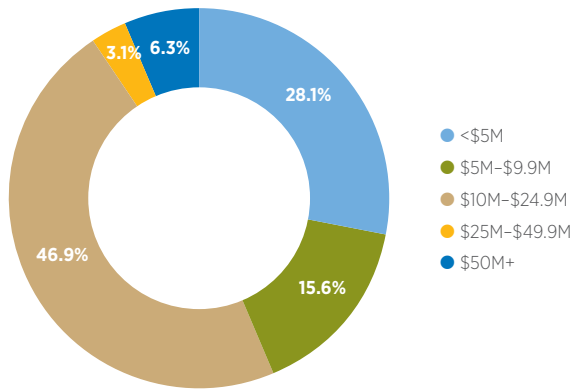


2022 Range of ELL Limits and ELL SIR

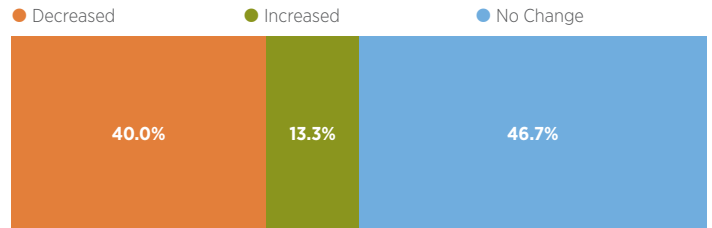


IV. CYBER LIABILITY

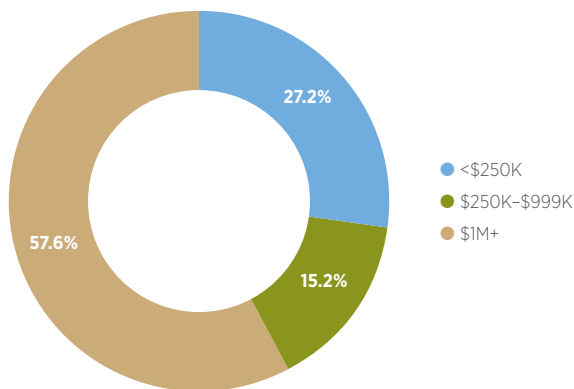
2022 Range of Cyber Limits



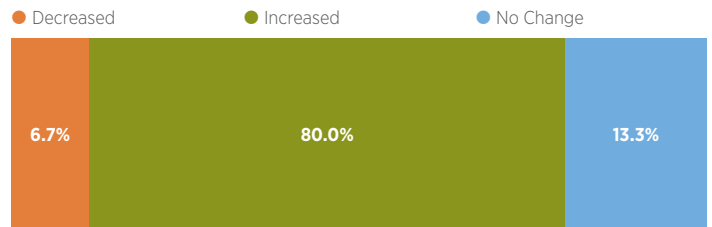
2022 Changes in Cyber Coverage



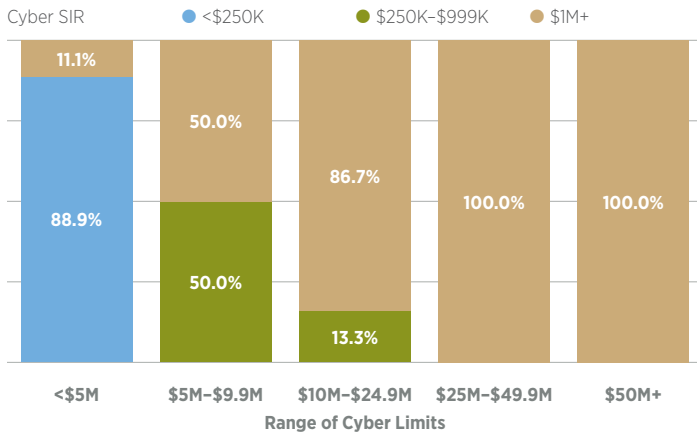
2022 Range of Cyber Deductible/Retention



2022 Changes in Cyber Deductible/Retention

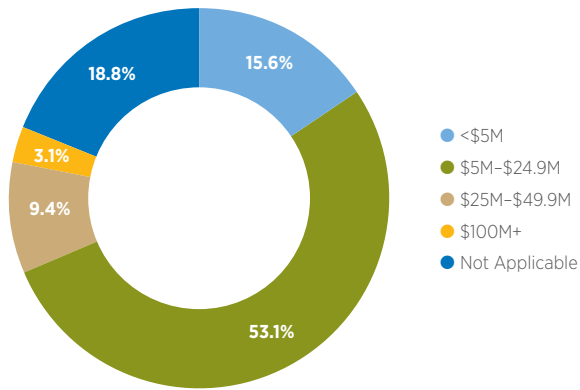


2022 Range of Cyber Limits and Cyber SIR

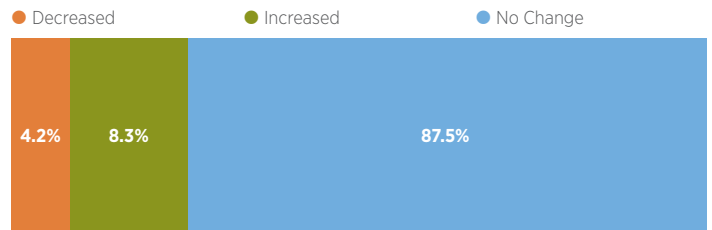


V. FIDUCIARY LIABILITY

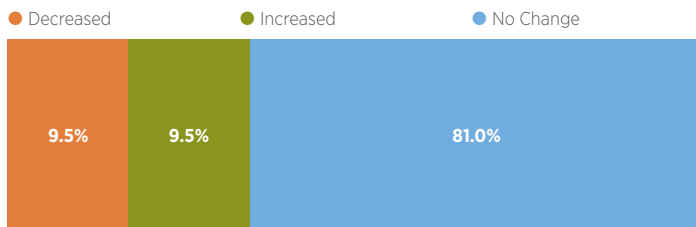
2022 Range of Fiduciary Limits



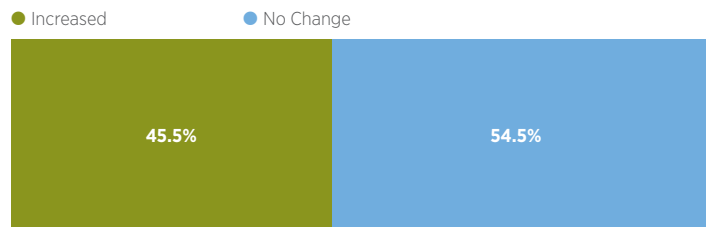
2022 Changes in Fiduciary Coverage



2022: Has your excessive fee limit (or sublimit) changed in the last two years?



2022: Has your excessive fee retention changed in the last two years?

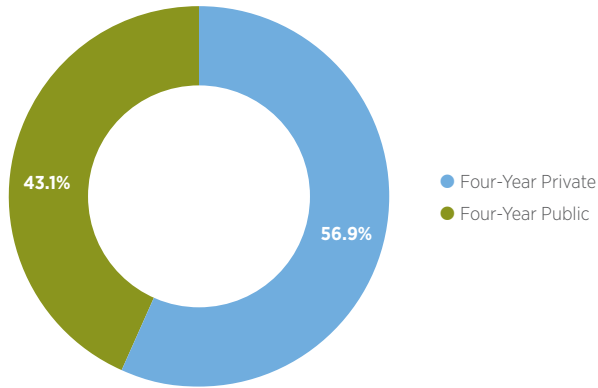


SURVEY RESULTS

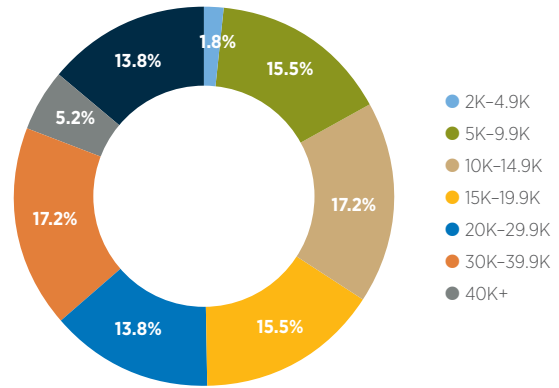
Division I Athletics

I. SURVEY RESPONDENTS

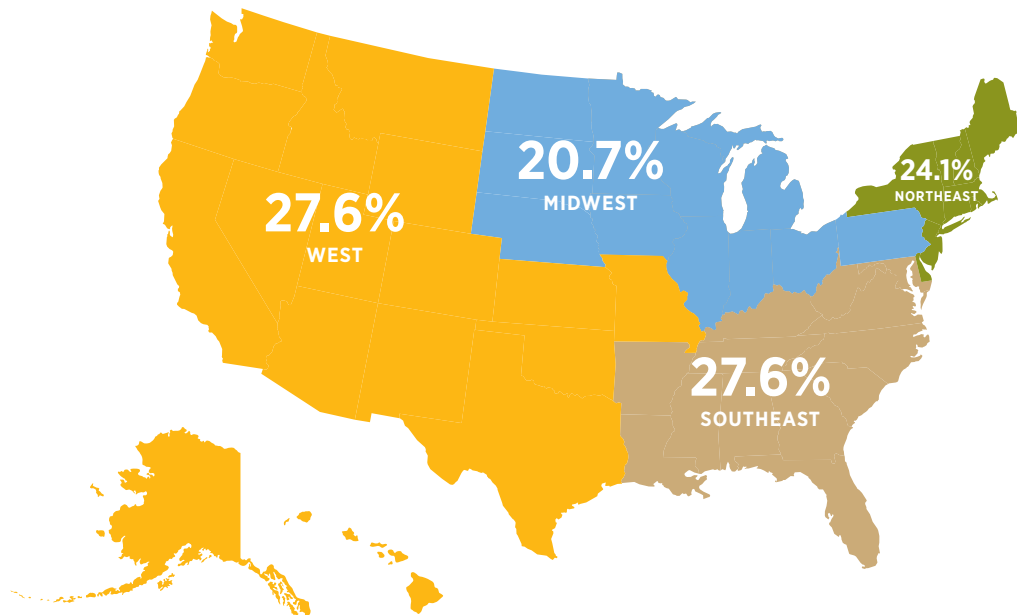
2022 Institution Type



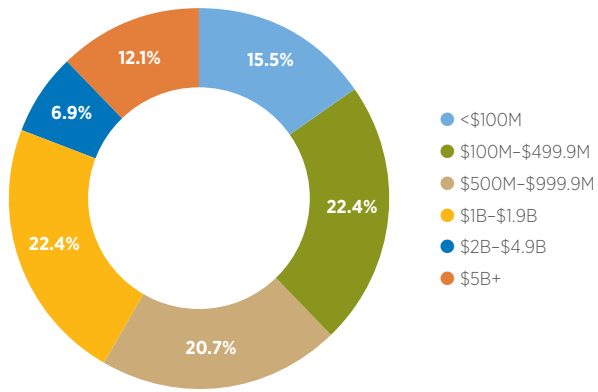
2022 Range of Enrollment (FTE)



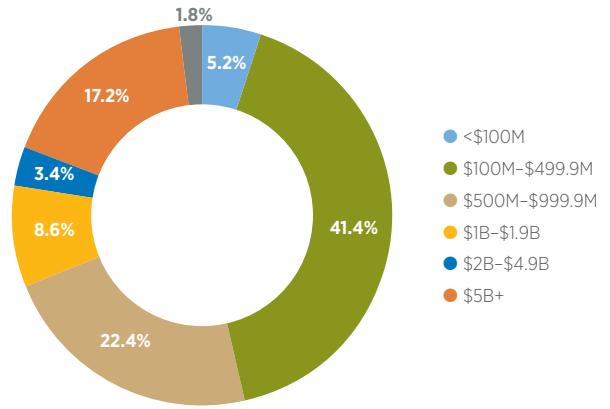
2022 Geographic Representation



2022 Range of Endowment

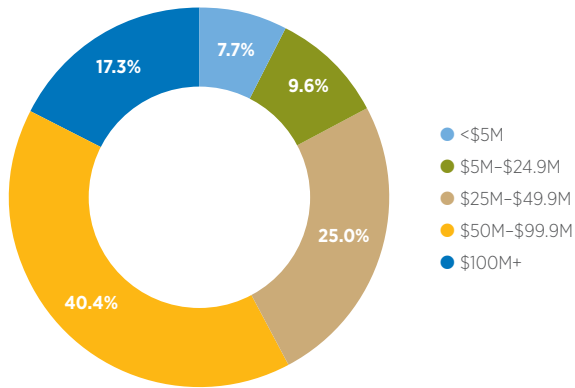


2022 Range of Operating Budget

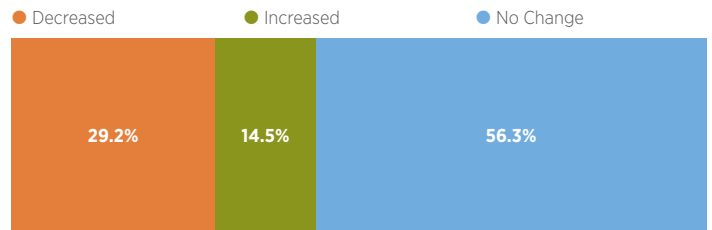


II. EXCESS LIABILITY

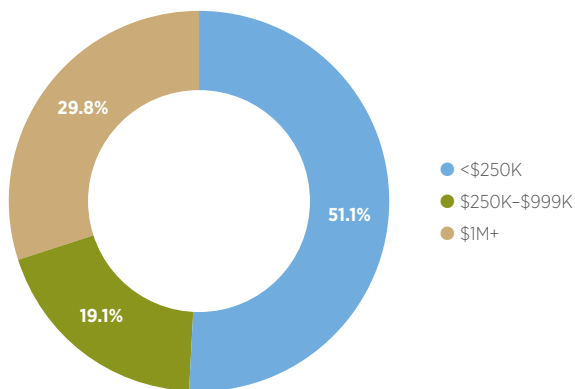
2022 Range of XL Limits



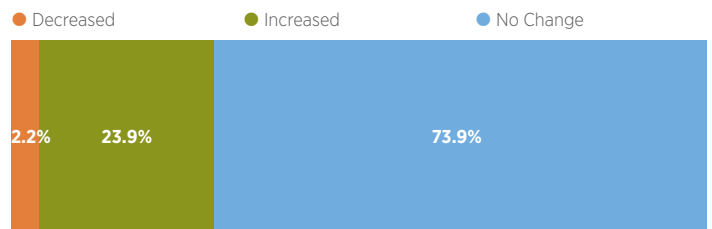
2022 Changes in XL Limits



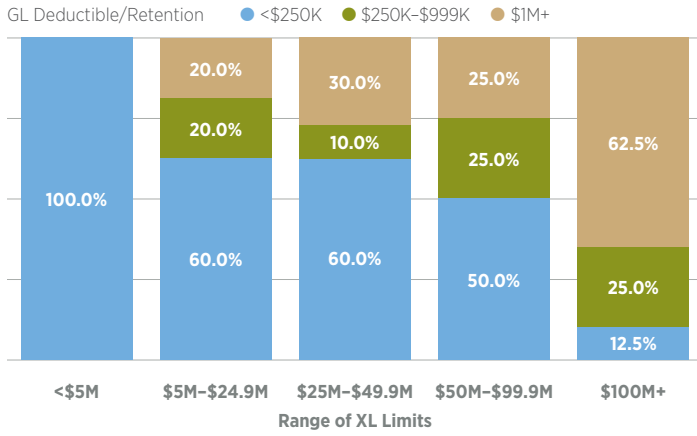
2022 Range of GL Deductible/Retention



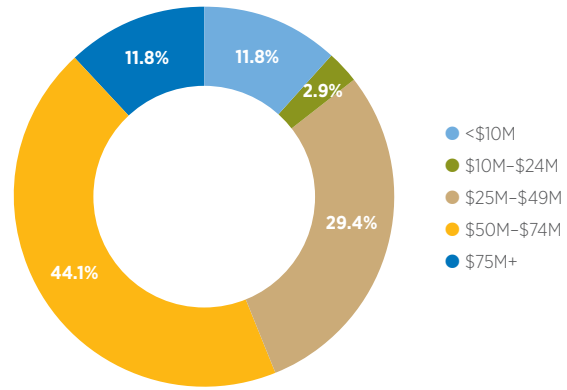
2022 Changes in GL Deductible/Retention



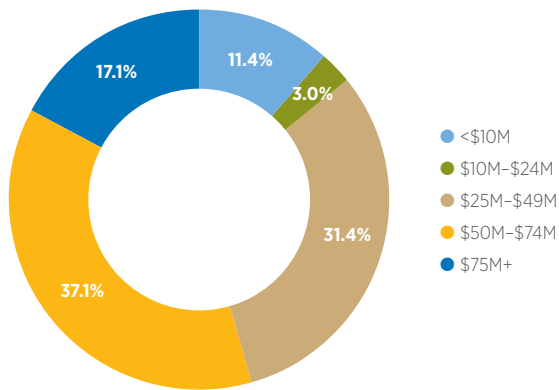
2022 Range of XL Limits and GL Deductible/Retention



2022 Range of SAM Limits

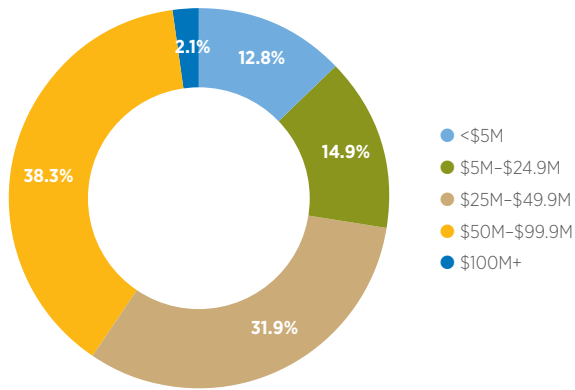


2022 Range of TBI Limits

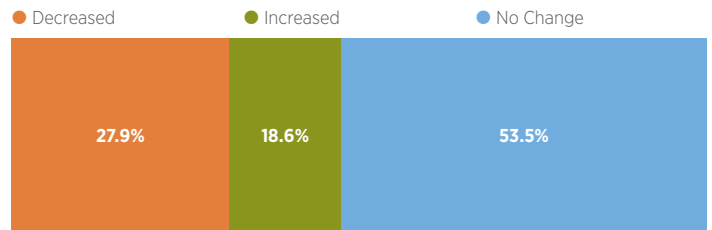


III. EDUCATORS LEGAL LIABILITY

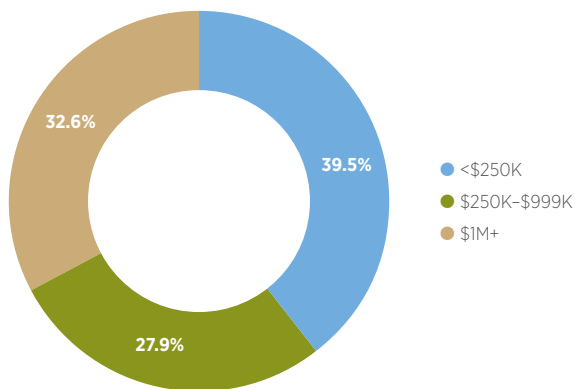
2022 Range of ELL Limits



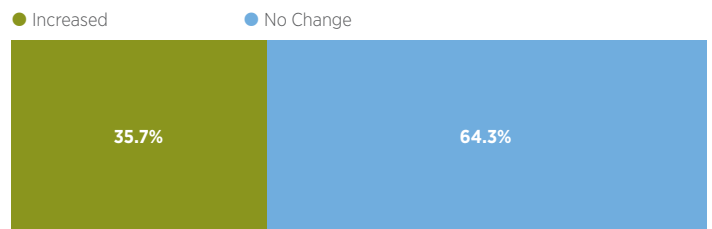
2022 Changes in ELL Limits



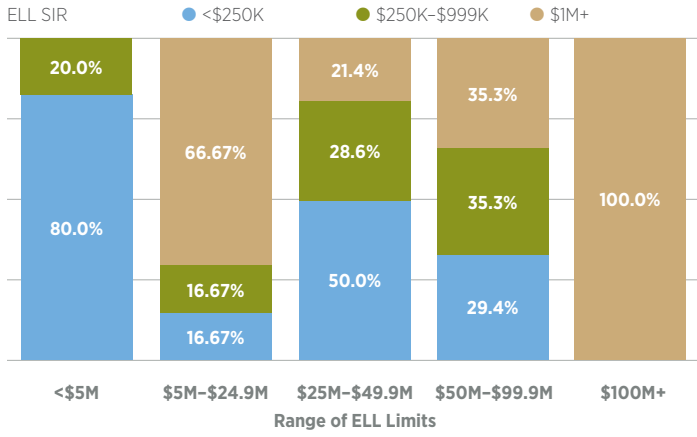
2022 Range of ELL Deductible/Retention



2022 Changes in ELL Deductible/Retention

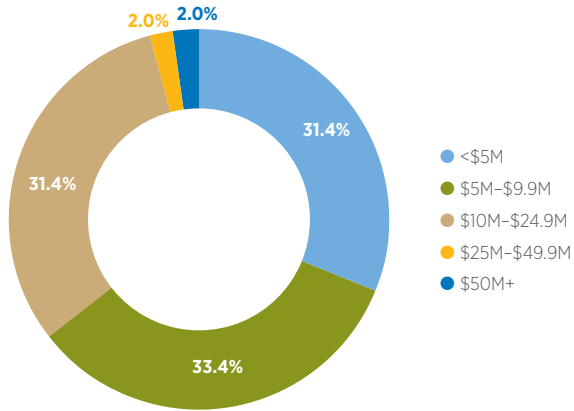


2022 Range of ELL Limits and ELL SIR

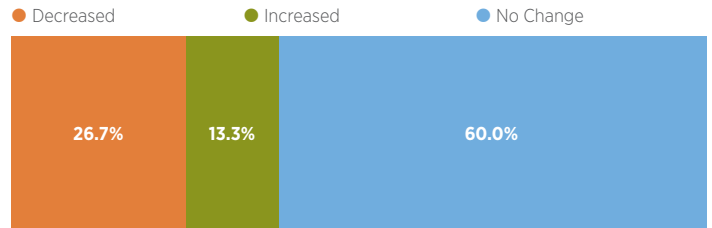


IV. CYBER LIABILITY

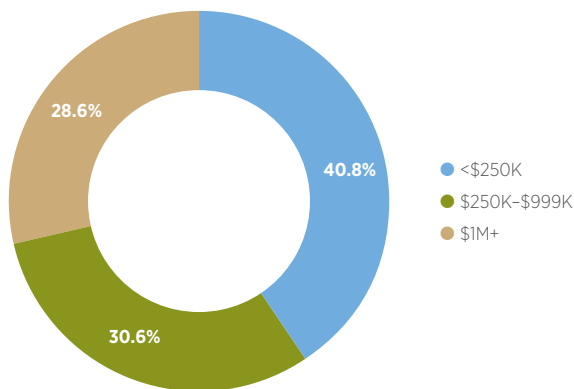
2022 Range of Cyber Limits



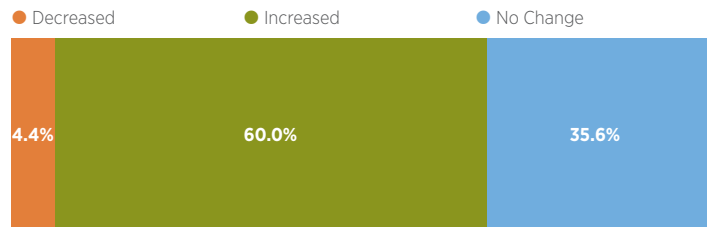
2022 Changes in Cyber Limits



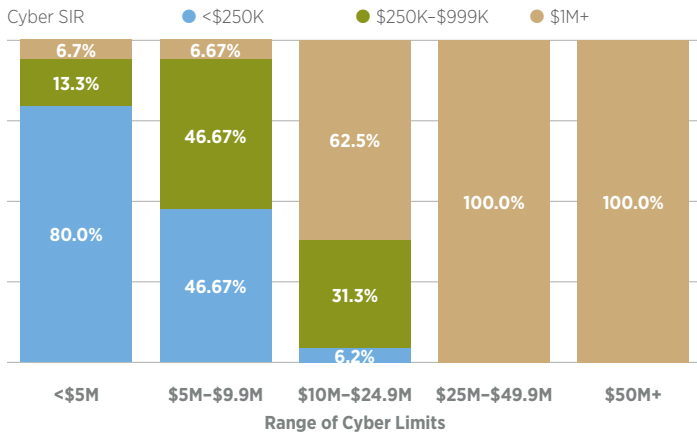
2022 Range of Cyber Deductible/Retention



2022 Changes in Cyber Deductible/Retention

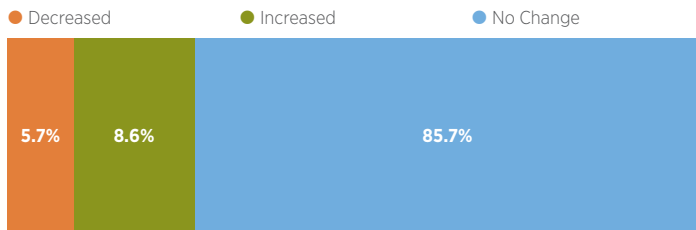


2022 Range of Cyber Limits and Cyber SIR

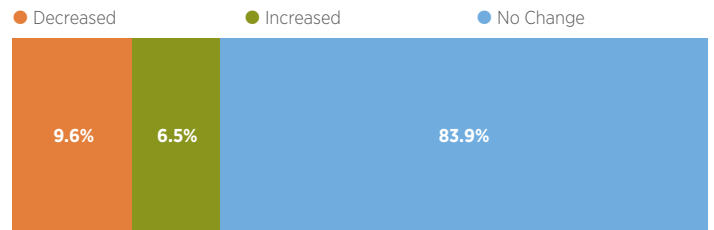


V. FIDUCIARY LIABILITY

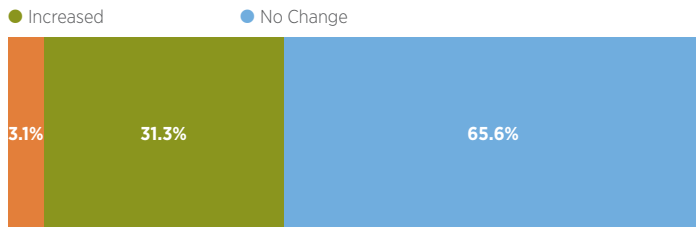
2022 Changes in Fiduciary Limits



2022: Has your excessive fee limit (or sublimit) changed in the last two years?



2022: Has your excessive fee retention changed in the last two years?

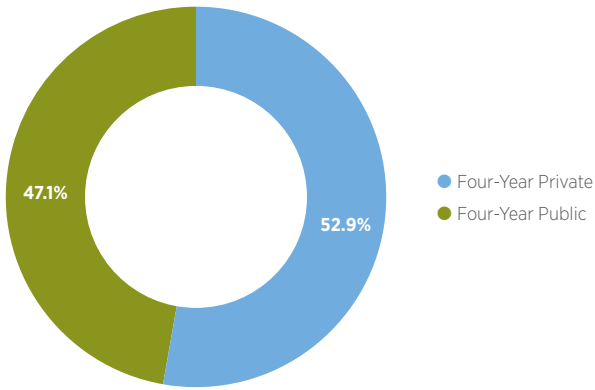


SURVEY RESULTS

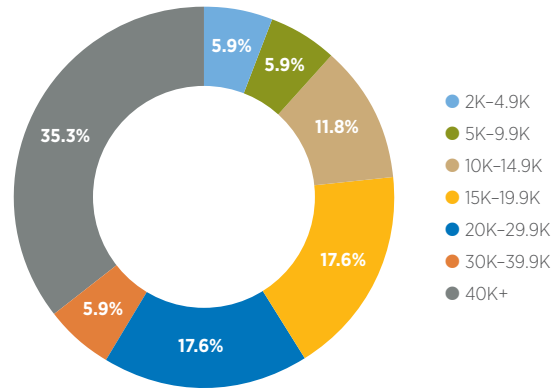
Academic Medical Centers

I. SURVEY RESPONDENTS

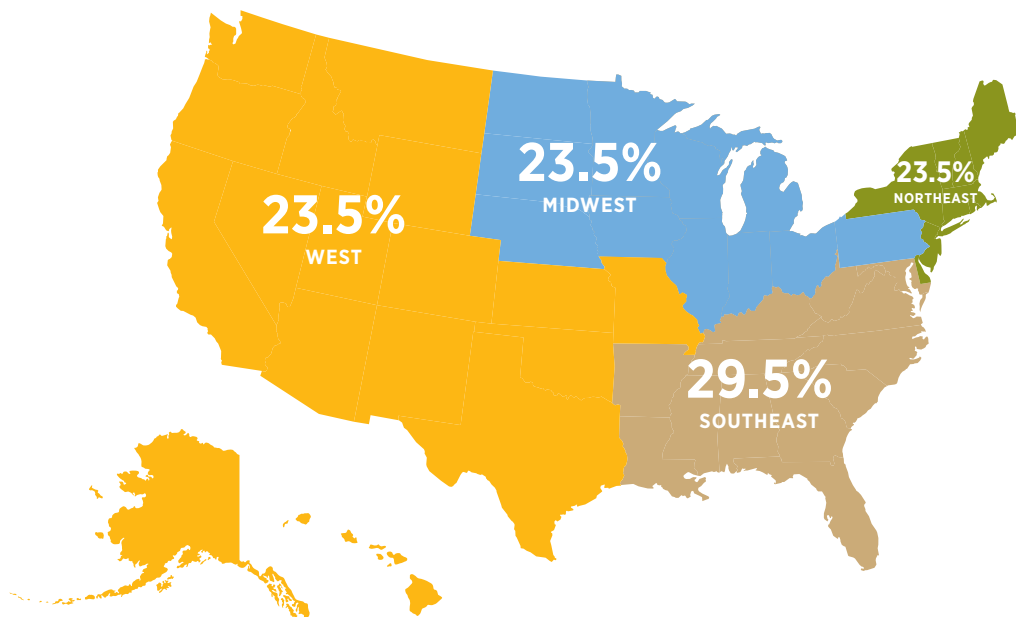
2022 Institution Type



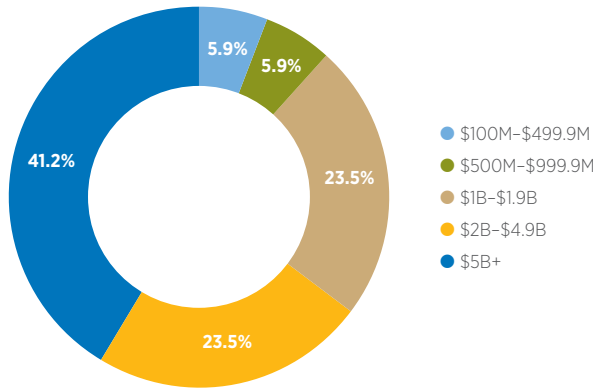
2022 Range of Enrollment (FTE)



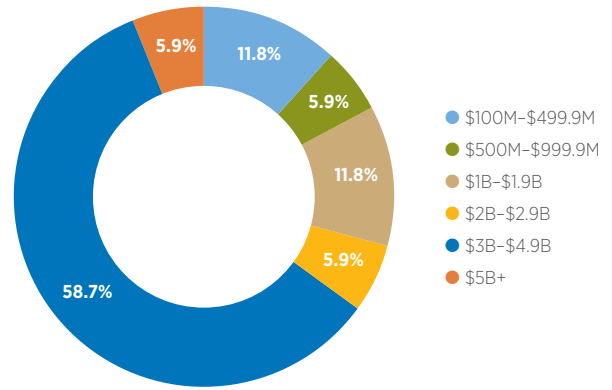
2022 Geographic Representation



2022 Range of Endowment

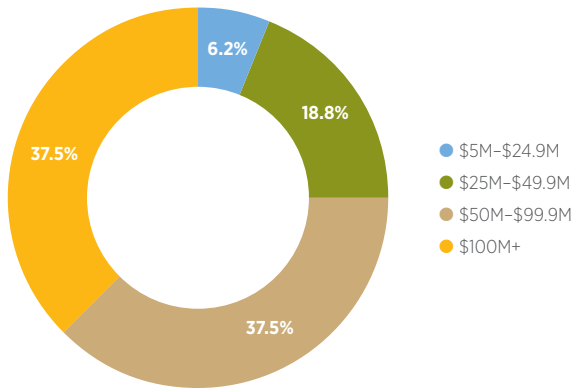


2022 Range of Operating Budget

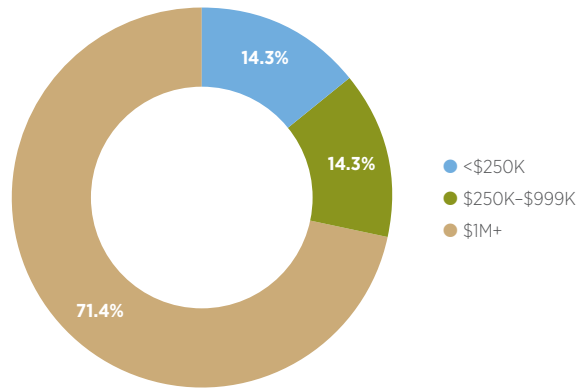


II. EXCESS LIABILITY

2022 Range of XL Limits



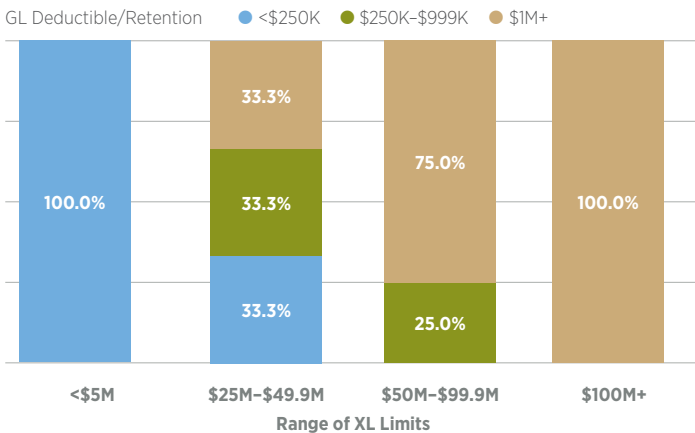
2022 Range of GL Deductible/Retention



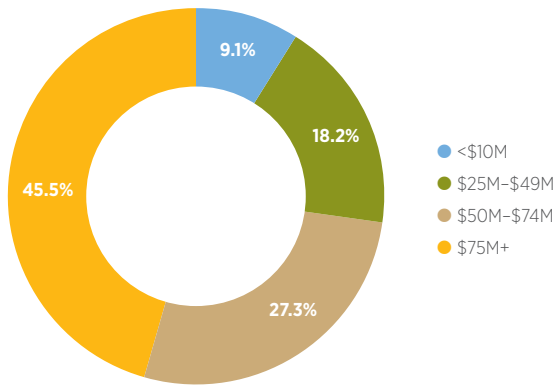
64.3% reported no change in XL coverage over the last two years.

78.6% saw no change in GL deductible/retention in the last two years. The remaining 21.4% saw an increase.

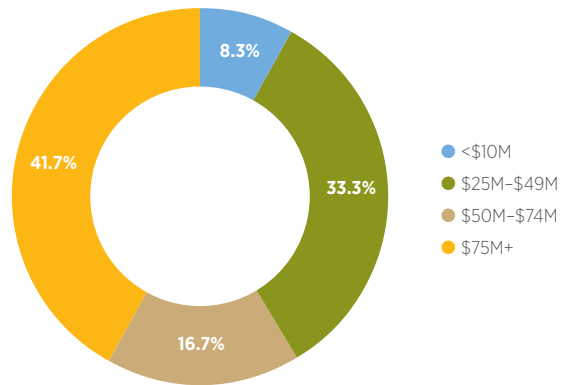
2022 Range of XL Limits and GL Deductible/Retention



2022 Range of SAM Limits

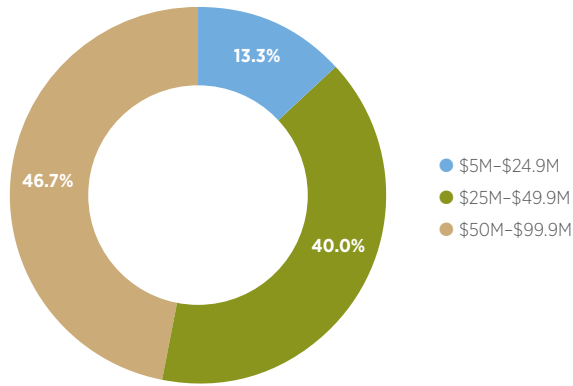


2022 Range of TBI Limits

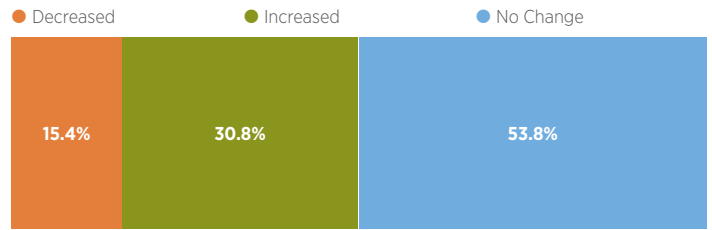


III. EDUCATORS LEGAL LIABILITY

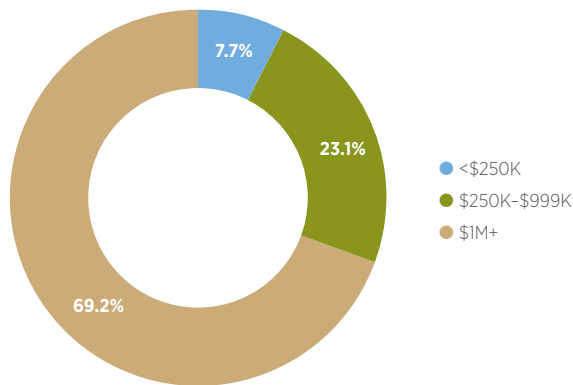
2022 Range of ELL Limits



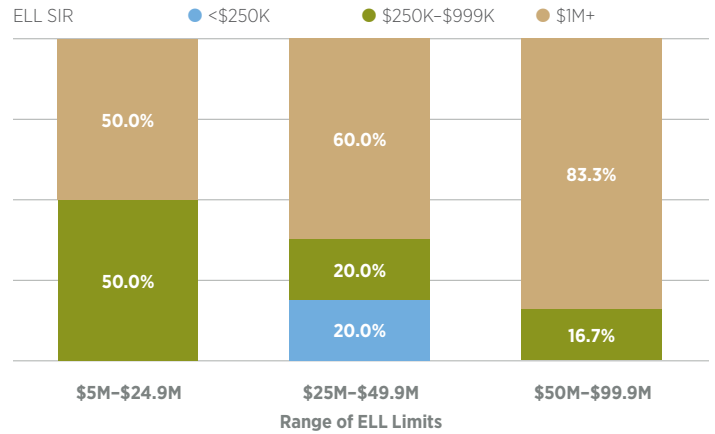
2022 Changes in ELL Limits



2022 Range of ELL Deductible/Retention



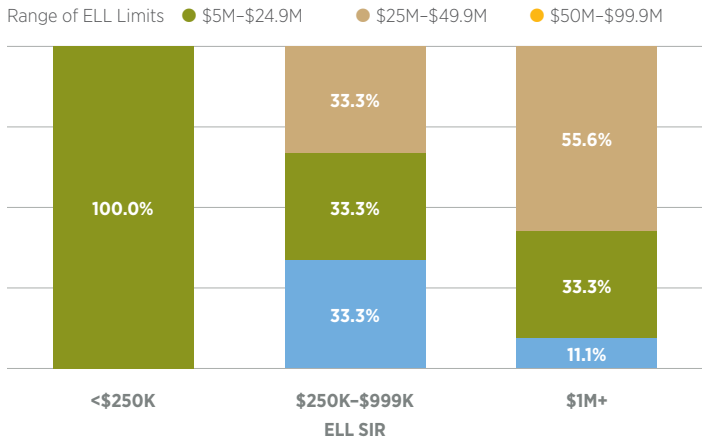
2022 Range of ELL Limits and ELL SIR



53.8%

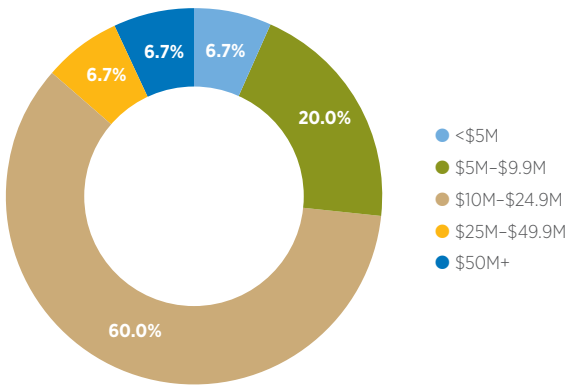
saw an increase in ELL deductible/retention in the last two years.

2022 Range of ELL Limits and ELL SIR

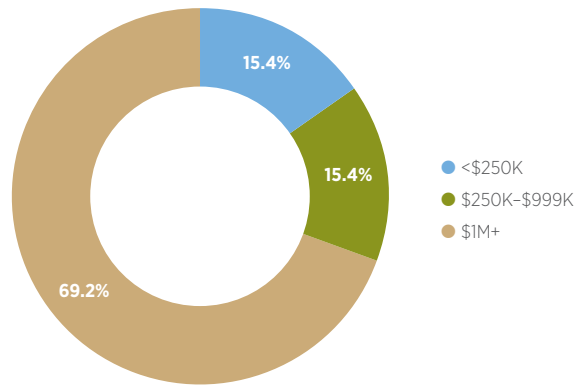


IV. CYBER LIABILITY

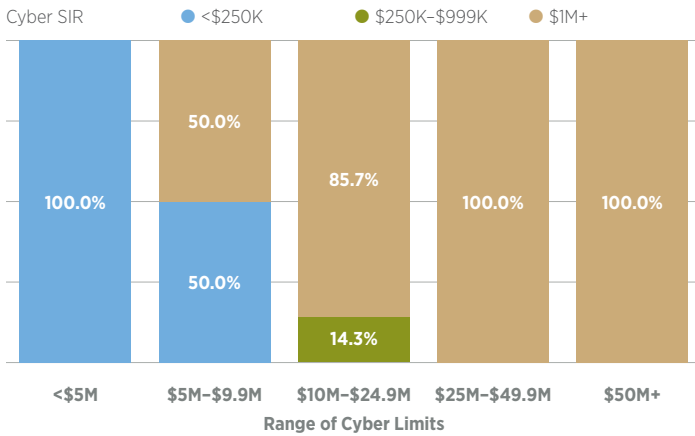
2022 Range of Cyber Limits



2022 Range of Cyber Deductible/Retention



2022 Range of Cyber Limits and Cyber SIR



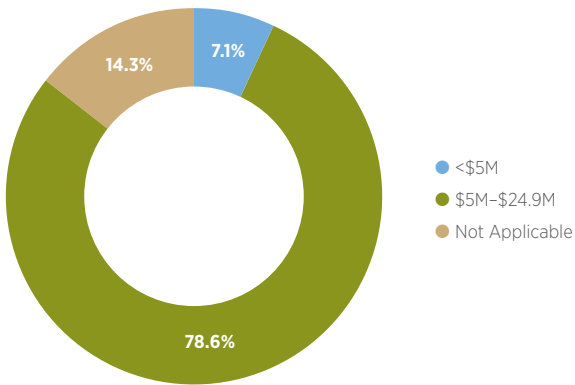
50% reported decreasing cyber coverage in the last two years.

91.7% reported increasing cyber deductible/retention in the last two years.

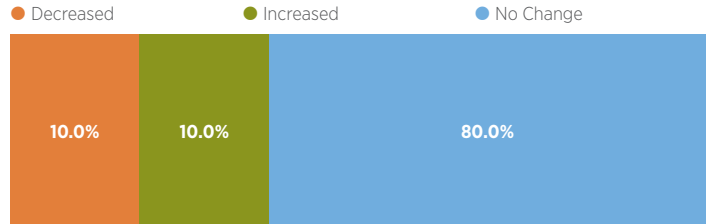
50% reported a decrease in cyber coverage in last 2 years.

V. FIDUCIARY LIABILITY

2022 Range of Fiduciary Limits



2022: Has your excessive fee limit (or sublimit) changed in the last two years?



90.9% reported no change in fiduciary coverage in the last two years.

60% reported no change in excessive fee retention. The remaining 40% increased excessive fee retention in the last two years.