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With Shootings on the Rise, Schools Turn to 'Active Shooter' Insurance.

Gun violence costs lives – and money. The financial burden can overwhelm governments, especially when they're small or struggling.

After every mass shooting, more calls come in: from private companies, from large stadiums, and – increasingly – from government agencies and public schools. They all want to talk about the same thing. “We probably have seen a tenfold increase in inquiries since Parkland,” says Paul Marshall, an insurance broker for McGowan Program Administrators, an underwriter based in Ohio. “People just feel vulnerable when [a shooting] happens. And that’s when we get phone calls, because it feels inevitable and very difficult to manage.”

Since the February attack on Marjory Stoneman Douglas High School in Parkland, Fla., which killed 17 and launched a nationwide push for additional gun control measures, at least seven South Florida school districts have purchased about \$3 million worth of “active shooter” coverage from McGowan. This kind of coverage, which the insurance broker first began offering in 2016, is a small but rapidly growing slice of the company’s portfolio. There’s no database that tracks which school districts carry this type of coverage, but Marshall says his company is consistently seeing 20 percent increases in the number of inquiries month over month. Other insurance companies are also seeing an increase in inquiries and purchases of this type of insurance. Over the course of one week shortly after Parkland, Hugh Nelson, senior vice president at Southern Insurance Underwriters Inc., says he received half a dozen inquiries. According to Reuters, while some insurance companies have offered these policies since 2011, many more have sprung up since 2016.

It’s one trend following another, deeply troubling one: The incidence of active shooter events is going up. According to FBI data, the average number of shootings per year jumped from 6.4 between 2000 and 2006 to 16.4 in the period from 2007 to 2013. (Overall, active shooter incidents, which the FBI defines as events in which an individual is actively engaged in attempting to kill people in a populated area, claimed 1,043 lives between 2000 and 2013.) In 2014 and 2015, that number rose again, to 20 shootings per year. About 10 percent of those occurred on government property, while an additional 24 percent occurred in schools. In fact, according to data recently compiled by The Washington Post, since the 1999 massacre at Columbine High School in Littleton, Colo., some 208,000 children at 212 schools have experienced gun violence on campus.

Some of the deadliest of these incidents have happened in just the past six years. In addition to the Parkland shooting in February, there’s been a mass-casualty shooting at a concert in Las Vegas, which killed 58; in the Pulse night club in Orlando, which killed 49; in a San Bernardino, Calif., city center, which killed 14; and at Sandy Hook Elementary in Connecticut, which killed 26. In May, the latest attack took place: A student shot and killed 10 of his classmates at Santa Fe High School in Texas.

Aside from the loss of life and the pain these events inflict on a community, deadly shootings also have financial costs that can be difficult for governments, especially small or struggling

municipalities, to bear. San Bernardino had already filed for bankruptcy when it had to pay \$4 million for the response to the terrorist attack at the Inland Regional Center. Connecticut gave the city of Newtown \$50 million just for the costs of rebuilding Sandy Hook Elementary School. The total costs from the 1999 shooting at Columbine High School also came to roughly \$50 million. In Parkland, the Florida Attorney General's Office paid for funeral costs, and the school district plans to tear down and rebuild the part of the school where the shootings occurred.

The tangible costs alone can overwhelm a government: litigation, compensating victims, paying for funerals, providing trauma counseling, reconstructing or refurbishing buildings, and investing in new security measures to prevent another attack, to name a few. The impact of intangible costs to a community — reputational damage, loss of tourism revenue and high turnover among workers — is impossible to measure, according to experts. "These events are very expensive in so many ways. People are so traumatized by responding to the event that they leave the field. I've talked to people who've left education because of this," says Mike Dorn, a school security expert at Safe Havens International who is currently working on his 13th active shooter case. Dorn was also a school district police chief at Bibb County Public Schools in Georgia for 13 years.

In the face of these potentially huge costs, there is debate about whether and to what extent general liability policies will cover active shooter events. Marshall, the McGowan insurer, says that general liability policies typically have what's called a "duty to defend" clause, meaning that they require a lawsuit to be filed in order to activate coverage. That's a process that can take months or even years. And general policies will not provide victims with the kind of compensation that's likelier to stave off litigation.

In contrast, active shooter policies tend to go into effect as soon as a person walks onto the organization's property and commits a targeted attack, and they generally cover attacks with any weapon, such as guns, knives, bombs or vehicles. Coverage pays for a host of expenses associated with these events as well, including victim expenses, particularly medical bills; agency costs, like extra security and business income losses; and traditional liability costs for lawsuits.

Some insurance companies that offer this kind of coverage also offer risk assessment and mitigation strategies to organizations trying to prevent an active shooter attack, says Nelson of Southern Insurance Underwriters. "Many governments are already doing this type of [risk mitigation and preparation] thing, but they want to see what more can be done," Nelson says.

McGowan's risk mitigation policies also make up a substantial part of its coverage, though Marshall says some governments and agencies already feel like they're doing enough to secure their properties. Marshall says one prominent city parade hired risk-mitigation services from McGowan this year, which included social media monitoring and coordination with local police. According to him, it was the first year the parade didn't have to deal with a violent attack threat.

That aspect of the coverage was one of the main reasons that Palm Beach County School District, the fifth largest district in Florida and the 10th largest in the country, decided to purchase active shooter insurance last summer. Dianne Howard, the district's director of risk and benefits management, says Palm Beach was one of the first jurisdictions to adopt this kind of insurance in her state. "We wanted the risk assessment and training service" that came with the coverage, Howard says. "Sometimes, departments tell you that they're doing everything they need to do, but when you look at other places where [attacks] have happened, you see there was actually a problem. So I wanted an outside perspective to see what else we could do."

Howard purchased the district's insurance from McGowan, and she said the company found some "areas where we could improve" in terms of mitigating risk. She purchased \$1 million in coverage,

which she said she hopes to increase. (According to Marshall, many others have done so since the Parkland shooting.)

Some risk mitigation techniques, however, can actually interfere with their insurance policies. Arming teachers — an idea that has received support mainly among Republicans in Congress and in statehouses — is one such security strategy. When some Kansas school districts considered letting teachers and campus administrators carry concealed weapons after the Sandy Hook massacre, their insurance companies pushed back. “Concealed handguns on school premises pose a heightened liability risk. We have chosen not to insure schools that allow employees to carry concealed handguns,” EMC Insurance Companies wrote to Kansas districts. Several districts abandoned their plans to arm teachers as a result.

“We don’t recommend arming teachers in the United States,” Dorn, the school security expert, says. “Trying to teach people to [use a gun against] an active shooter is even harder than just teaching them how to use a firearm.” Dorn says that even police officers sometimes don’t respond appropriately in emergency situations. In Parkland, a campus police officer notoriously stayed outside of the building even as he heard gunshots inside.

Dorn also cautions against similar solutions, like the Pennsylvania superintendent who suggested students were protected from active shooter situations thanks to a bucket of river rocks in the classroom, or the other Pennsylvania school district that issued mini baseball bats to teachers. “Great idea. Now some kid gets mad and gets ahold of the bat and beats up another kid and we have a \$4 million lawsuit on our hands,” Dorn says.

He says behavioral interventions — like identifying potentially violent students and intervening before anything takes place — are by far the most effective strategy for stopping violence on school property. They’re also less expensive than physical solutions such as bulletproof glass and metal detectors. “If you’re a school without strong behavioral approaches [to preventing violence], you’re extremely vulnerable to litigation, because this is so well established. It’s like a standard of care,” Dorn says. “You can spend \$5 million [on extensive security measures] and still have a shooting because you didn’t spend a tiny fraction of that on good behavioral approaches.”

As the difficulty of preventing violence becomes clearer to the public, and if violent incidents like Parkland continue to become more common, Marshall and Nelson both say they expect that this portion of their insurance practice will continue to grow. Just recently, Marshall says, a large municipality flew him out for an informational presentation and decided immediately to buy coverage.

And insurance companies keep updating the coverage they offer in response to tragic events. A year ago, McGowan did not offer coverage for vehicle attacks. Now it does. The sorts of coverage that insurance companies provide will continue to evolve, says Marshall. “At this point, [people feel that] everyone is kind of a target.” Attackers today, he says, have become more likely “to handle disputes in a violent manner, with guns, knives, vehicles, bombs. It’s very concerning to people.”

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