OVERVIEW OF LEGISLATION

Legislation Reference

Division I: 3.2.4.8

Background Information

The NCAA insurance task force wanted to ensure that student-athletes would have adequate insurance to cover medical expenses from injuries sustained during participation in intercollegiate sports activities. The NCAA provides insurance excess of a deductible ($75,000 effective 8/1/05) through the NCAA Catastrophic Injury Insurance Program, but previously there was not a consistent method or requirement to verify insurance for expenses within the catastrophic program deductible. This allowed a potential "gap" in insurance that could result in student-athletes incurring significant out-of-pocket expenses. The task force therefore proposed this new legislation with the goal of eliminating the potential "gap" and ensuring that individuals covered by the NCAA's catastrophic policy would not be exposed to potential uninsured expenses within the deductible. The legislation was approved by the Division I Management Council and Board of Directors at their April meetings.

Intent of Legislation

The legislation requires NCAA member institutions to certify insurance coverage for medical expenses resulting from athletically related injuries sustained while participating in defined covered events. This insurance coverage must be of equal or greater value than the deductible of the NCAA catastrophic injury insurance program and may be provided through parents' or guardians' insurance coverage, participant's personal insurance coverage, or the institution's insurance program. The legislation is intended to ensure that student-athletes have coverage for medical expenses related to injuries resulting from participation in covered NCAA sports activities.

The NCAA and its membership agree that the legislation will create several important benefits:

- Protects student-athletes/parents from incurring substantial, unexpected, out-of-pocket medical expenses for athletically-related injuries.
- Informs student-athletes/parents of institution's position on providing insurance and/or covering medical expenses for athletically-related injuries and eliminates misconceptions about the institution's responsibility.
- Tracks information about the availability of "other insurance" that can assist member institutions in projecting costs of excess insurance programs.
- Protects member institutions from a liability perspective because student-athletes/parents are less likely to bring a lawsuit against the institution for an athletically-related injury if medical expenses are covered through some form of insurance.

FREQUENTLY ASKED QUESTIONS

1. **Does the legislation require that the institution purchase insurance coverage for the student-athletes?**

   No. There are several methods to certify coverage, and it is up to each member institution to determine the best method.

   See the Certification Flowchart and document entitled Filling in the Gaps for more information on this topic.

2. **When and how often should an institution certify that coverage is in place?**

   Ideally, coverage should be certified prior to the start of each playing season. At a minimum, an institution should certify coverage prior to the beginning of each academic year, before the student-athlete begins practice or competition. Because insurance circumstances can change, institutions requiring proof of insurance from student-athletes/parents may consider reminding them of insurance requirements and/or securing updated insurance information from them during the course of the year.

3. **Does certification need to occur before the student-athlete begins practice or competition?**

   Yes. In order to comply with legislation, the member institution should not allow an athlete to begin participation until insurance has been certified.

4. **What do we do if a student-athlete does not have insurance for athletically-related injuries?**

   If the institution does not provide coverage through an accident medical policy, state-funded plan, medical services agreement, or formal self-insurance program AND a student-athlete does not have his or her own coverage, the institution should either:
   - purchase coverage and bill the student-athlete;
   - purchase coverage and pay for it;
   - offer guidance on sources for securing coverage (and then follow standard procedures for getting evidence of insurance); or
   - deny participation until proof of insurance is provided. Please note, a violation of this requirement does not affect student-athlete eligibility but is an institutional violation.

5. **What is the penalty for non-compliance with the certification requirement?**

   Since the requirement is an obligation of membership, failure to comply would be considered an institution violation, and the institution may jeopardize its membership in the NCAA.

6. **Are Division I institutions required to certify coverage for cheerleading squads and other individuals who are not part of the athletics department?**

   No, Division I does not require certification for these individuals. Only for student-athletes.

7. **Is self-insurance an acceptable method of certifying coverage?**

   Yes. If the member institution has a formal self-insurance program to cover expenses up to the NCAA's catastrophic policy, this would be considered an acceptable form of insurance provided by a member institution. Please note, however, that a formal self-insurance program is a program that includes a written plan document outlining what losses will be paid, a financial means to fund the losses (e.g. pay as current expense, set up formal reserve, establish a captive, purchase stop loss coverage where an insurance company pays losses after a certain threshold is reached), and a planned method to administer claims.

8. **Does certification mean making sure every dollar of expense up to the NCAA catastrophic policy deductible is covered by insurance?**

   No. From a practical standpoint, insurance policies will be subject to deductibles and/or co-insurance requirements. Therefore, certification does not mean verifying that every dollar of expense within the deductible will be covered, but that the majority of expenses will be covered. If the institution provides coverage that includes deductibles or co-pays, but does not pay for the uninsured expenses, the institution should advise parents and students of the deductibles and co-pays.

9. **If a student-athlete has coverage through an HMO that's only valid in the state they live in, does that satisfy the requirement if they are in a school outside that state?**

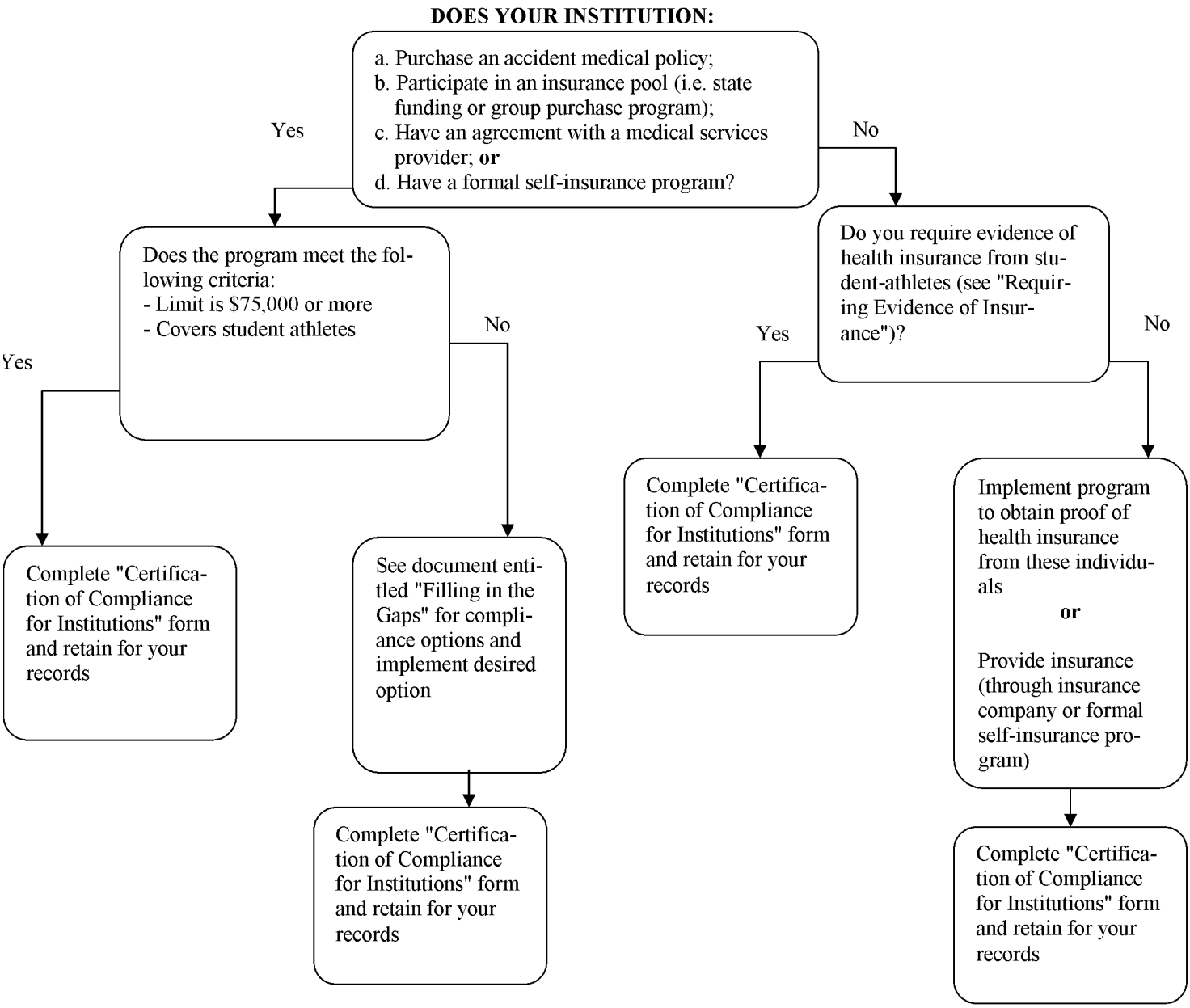
   Yes. However, again it should be disclosed to the parent/guardian that they are responsible for any costs not paid by insurance if the university does not cover those costs.

10. **Can the institution pay the deductible of a policy provided by the student-athlete without eligibility concerns?**

    Yes, an institution can pay the deductible of a policy provided by the student-athlete, or the institution's own policy, for an individual or individuals without providing an extra benefit and thus subjecting the institution or student-athlete to eligibility concerns.

CERTIFICATION FLOWCHART

The legislation does not mandate how compliance must be managed, and therefore the institution has options on ways to comply. Within each option there are different methods to administer the certification process. The following flowchart is intended to outline different approaches for compliance and direct you to other resources for more detailed information as appropriate.



IMPORTANT NOTE: We recommend institutions review the documents entitled "Filling in the Gaps" and "Requiring Evidence of Insurance" regardless of your intended approach as both documents contain ideas you may wish to implement as part of your certification efforts.

FILLING IN THE GAPS

What should we do if our current limit is less than $75,000?

If your institution provides accident medical coverage with a limit that is less than $75,000, steps should be taken to ensure that student-athletes have insurance coverage up to the deductible amount. Examples are as follows:

The institution is part of an insurance pool that provides coverage up to $25,000.
The institution purchases an accident medical policy with a $50,000 limit.

Compliance Options
1. Increase limit to $75,000 or buy a policy to fill the gap;
2. Implement formal self-insurance plan for difference; or
3. Require evidence of insurance (see "Requiring Evidence of Insurance")

What should we do if our accident medical policy or the student-athlete's policy has a deductible or co-pay?

If your institution or the student's policy has a deductible or a co-pay provision, the institution is encouraged to take steps to ensure that student-athletes have insurance coverage for deductible/co-pay expenses (as they may be significant), or notify the student-athlete/parents that they will be responsible for these expenses.

Suggestions to Consider
1. Eliminate the deductible or co-pay provision;
2. Implement formal self-insurance plan for deductible/co-pay;
3. Require evidence of insurance (see "Requiring Evidence of Insurance");
4. Notify students/parents in writing of their potential out-of-pocket expenses

REQUIRING EVIDENCE OF INSURANCE

If the institution requires student-athletes to provide evidence of insurance either in place of providing insurance or to "fill in a gap" with the institution's insurance, the following provides suggestions on administering this approach. In addition, we have provided sample forms that the institution can use (or modify) to capture the recommended information.

What do we need in order to have proper evidence of coverage?

Evidence of coverage should include the following:

- Copy of a current insurance card
- Completion of an insurance questionnaire requesting:
  - Insurance company information
  - Coverage effective dates
  - Limits of insurance
  - Deductibles/Co-insurance
  - Confirmation that policy applies while participating in collegiate sports (i.e. no exclusion for sports participation)

An individual(s) at your institution should be responsible for reviewing the evidence of insurance submitted to make sure it meets the requirements (effective during playing and practice season, limit of at least $75,000, covers athletically-related injuries).

How can we be sure that student-athletes have the proper coverage or that the coverage remains in force throughout the season?

From a practical standpoint, institutions are not able to thoroughly research each student-athlete's coverage or monitor whether coverage remains in effect throughout the season. However, we recommend taking the following steps to comply with the legislation.

1. Notify student-athletes/parents of the insurance requirement prior to the season (see draft letter to student-athletes and parents).
2. Require the student-athletes or their parents to sign a form acknowledging the insurance requirements (see sample "Acknowledgement of Insurance Requirements" form). This form should include the following:
   - Confirmation that there is insurance coverage in place for athletically-related injuries with a limit of at least $75,000.
   - Student-athletes/parents are aware that the institution does not have responsibility to pay for medical expenses.
   - Student-athlete/parents will notify the institution if there is a change in insurance.
3. Secure evidence of insurance immediately prior to each academic year, but before student-athletes begin practicing or playing. Ideally, the institution will secure evidence of insurance immediately before each playing season and/or secure an update on the status of insurance during the course of the year.