

RISK PROTECTION GUIDE

International schools in China

2026



Hong Kong - Guangzhou - Beijing - Shanghai - Singapore

www.abacare.com

Foreword

Welcome to Abacare's "Guide to Risk Management" for international schools in China.

Our aim is to provide useful information about risks that are inherent to operating schools in China, as well as clarity about the solutions available to mitigate those and ensure safe operations.

This guide is produced by experienced brokers, cumulating a wealth of experience handling education clients in China. As a well-established insurance intermediary in Asia, we are aware of the growing complexity of managing schools and the variety of risks that may arise from accidents, mishandling, natural disasters, data leaks, hacking or even sanitary crises.

We will outline the main risks that schools are facing, the solutions available to mitigate those and finally, how to make sure you are well covered.

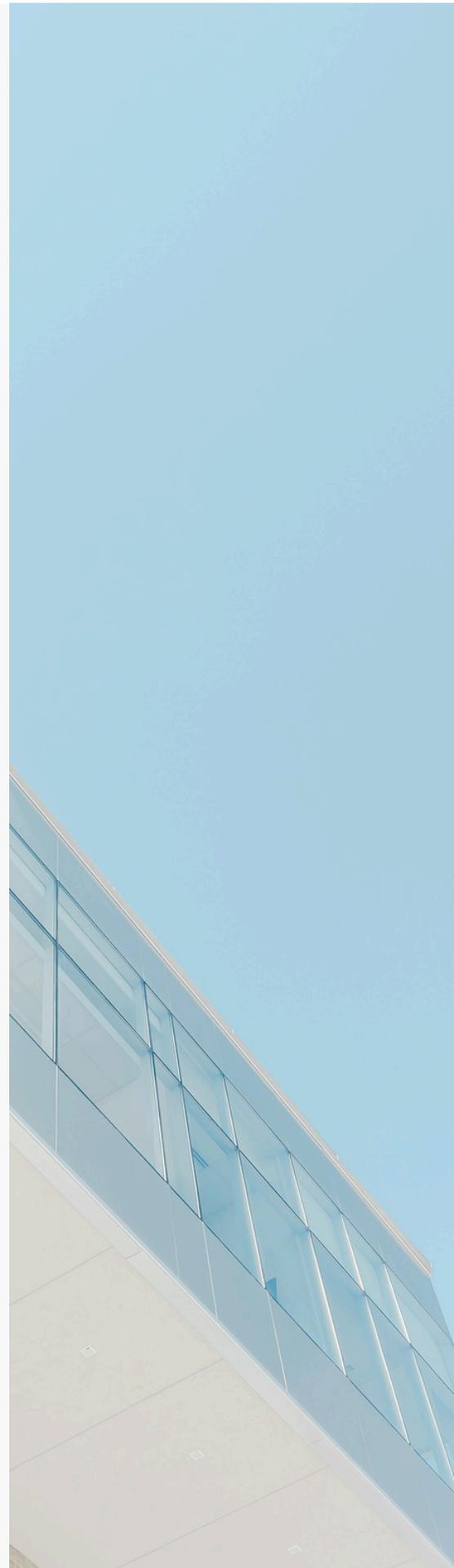
We hope you will find this information valuable and encourage you to contact us for any further information. You will find our contact information at the end of this guide.

Warm regards,
Abacare Team

This guide provides **general advice only**. We recommend consulting insurance professionals, such as brokers, to make the most informed decision for your school's specific needs.

SUMMARY

FOREWORD	P.1
ABOUT US	P.3
ESSENTIAL COVERAGE THAT SCHOOLS NEED	P.6
HEALTH INSURANCE	P.6
LIFE INSURANCE	P.08
PROPERTY INSURANCE	P.09
LIABILITY INSURANCE	P.10
OTHER COMMERCIAL INSURANCE A SCHOOL MIGHT NEED	P.11
GETTING COVERED	P.13
CONTACT US	P.15



ABOUT US



Present in Hong Kong, Singapore, Shanghai, Beijing and Guangzhou, we are an international insurance broker with 29 years experience servicing both corporate and individual clients worldwide.

We specialize in advising and servicing clients in medical, life and general insurance.

With trust, care and integrity, we protect our client's best interests at the lowest cost.

We are a partner of the following international organizations and networks:

The logo for Euribron, featuring the word 'euribron' in a blue, lowercase, sans-serif font. The 'e' and 'o' have a stylized, circular graphic element integrated into them.

The logo for Steadfast, featuring the word 'Steadfast' in a bold, black, sans-serif font. To the right of the text is a blue diamond-shaped graphic composed of four smaller diamonds.

The logo for ACAIS, featuring the acronym 'ACAIS' in a bold, red, sans-serif font. Above the acronym are the Chinese characters '中蒙国际学校协会' and below it is the English text 'Association of China and Mongolia International Schools'.

our services

Medical insurance/Employee Benefits

we offer our international school clients a comprehensive support with their medical insurance. We assist in selecting the best insurer's offers, we negotiate the premiums terms and conditions on their behalf. We assist with the program implementation and deliver year round service providing them with peace of mind.



Life insurance

Whether you are looking to protect your family's financial situation in case of a premature death, savings to cover your children's education costs, planning your retirement or securing a replacement income in the unfortunate diagnosis of a critical illness, our licensed advisors can assist you in finding the best plan.

General insurance

Our property & casualty team is at your service to advise on coverage to protect your school's assets or even your personal home. We recommend a wide array of solutions from property insurance to liability plans covering your legal responsibility toward third parties. We cater to the needs of very diverse industries and provide claims assistance when needed.

Risk exposure for international schools in China

It is hard to summarize in a few words the many areas that a school leader must keep an eye on to prevent taking large risks. Nowadays, schools are exposed to many situations that could threaten their reputation, finances, operations, and ability to teach students.

With a growing number of institutions opening every year and a fiercer competition to attract the best students, we understand that schools have no option but to invest significant amounts into state-of-the-art premises and top-quality equipment. Unexpected events such as flooding, fire, theft, accidents during school trips or simply hazardous activities putting student safety at risk, could have a devastating impact not only on the finances of the school but also the image.

Anticipating these risks is essential to minimize the consequences of such situations affecting normal school operations. Brokers like us can assist in drafting a risk mitigation strategy by evaluating areas needing more attention and ensure appropriate policies are in place.



part 1 - essential coverages for a school to run safe operations

HEALTH INSURANCE

Human capital is by far the most important asset of any educational institution. At the same time, it is also the largest expense.

Most schools agree that recruiting high caliber and experienced teachers is not a simple task. It is useful to understand the candidate's considerations when joining a potential school.

These considerations include a match with professional experience, the cultural fit, possibility to grow professionally and flexible working hours.

In addition, the proposed salary & benefits will weigh heavily in their decision making.

Among package expectations, **Health insurance** holds the **3rd Place** just below **Salary** and **Accommodation**, reflecting the high level of concern of teachers for their health.

Our experience tells us that in order to have a smooth implementation and management of plans throughout the policy year, spending sufficient time to communicate with employees about their coverage limits and how to use their plan is essential.

That is why, as a broker we hold regular sessions in person or via video conference to ensure our clients know how to best use their plan and who to contact in case of need. We will host separate sessions for human resource team members to ensure they master the administration of the policy.

We help schools navigate the various options and better understand their risk exposure to ensure they find the balance between adequate cover for their staff and affordable premiums. We advise on suitable policy design and finding flexibility in the programs.

We answer questions such as:

"Is our plan provision sufficient to cover hospital charges?"

Are our benefits competitive enough compared to other international schools?"

What should we do to keep affordable premiums?"

Private medical insurance plans are composed of several layers of coverage:

- 1 In-patient** admission for an overnight stay in a hospital bed.
 - 2 Evacuation & repatriation** cost associated with a transfer to a better suited hospital or a transfer back to the country of residence or country of nationality.
 - 3 Out-patient** which includes everyday care and all treatments done as external visits. For instance, general practitioner or specialist consultations, drugs & dressing, lab test, medical imaging etc.
 - 4 Maternity**, pre & post-natal checks, childbirth, congenital conditions.
 - 5 Wellness**, annual health checkups, cancer screenings, PAP smear, mammograms etc.
 - 6 Dental** routine care and major dentistry, surgeries and orthodontics.
- Optical**, vision equipment glasses and frames or contact lenses.



PART 1 - ESSENTIAL COVERAGES

LIFE INSURANCE

Life insurance is an essential component of employee benefits packages. It is a highly valued additional coverage, and provide a comprehensive staff protection.

“ Having medical bills taken care of is really important. But what about financial compensation in case of death or disability?”

ACCIDENTAL DEATH & DISMEMBERMENT (AD&D)



This is one of the most common types of life coverage provided by employer to their staff. Generally, it is a rider to a group medical insurance policy and insures employees up to a lump sum amount in case of accidental death or dismemberment / disability proportionally to the degree of disability.

GROUP LIFE INSURANCE



Group term life insurance is a life insurance policy that is offered to employees of a company or members of an organization. The benefit could be either a lump sum or multiples of annual salary. Unlike AD&D, the scope of coverage could be wider and include natural death or non-accidental death.

TEMPORARY INCAPACITY (SICK LEAVE)



This plan is designed to cover employees against loss of income should they be incapacitated and unable to perform their professional occupation due to an illness or accident. This insurance will guarantee a certain level of income dependent on their pre-disability income and subject to policy limits.

PERMANENT AND TOTAL DISABILITY



This plan will cover employees suffering from an irremediable disability affecting their ability to permanently resume their occupation, or any occupation. This plan would cover a portion of the pre-disability income up to the age of 65.

Pay attention to:

If the employee can resume any form of occupation, not limited to their initial job, the insurer would stop the indemnification.

PART 1 - ESSENTIAL COVERAGES

PROPERTY INSURANCE

Property insurance is meant to cover **the school building structure, the premises and also all the contents**, such as teaching equipment, sports gear, computers, projectors, whiteboards, furniture, etc. in case of unforeseen damages caused by perils insured by the policy such as fire, flooding, explosion, theft, vandalism, etc.

Some policies may also cover **natural disasters** such as earthquakes which can be devastating. This type of insurance is a must for any schools since some of the perils mentioned above could literally threaten the very existence of the school.

Pay attention to:

Property insurance is sold with deductibles and/or co-pay of the total loss. **Please ensure that the amount of deductible or the co-pay is capped to an amount that is financially sustainable.** When purchasing property insurance, it is also important to pay attention to the sub-limits applied per type of items.

PROPERTY DAMAGE MACHINERY BREAKDOWN



This policy covers damages that could incurred tot the buildings and covers by example perils like fire, flooding, explosion. The insurance will cover reconstruction costs to resume normal operations and the replacement value of damaged equipments. Extensions such as machinery breakdown, business interruption may be added to the coverage.

Pay attention to:

This insurance could apply if government actions cause your operations to cease temporarily, which results in losses. Interruption due to cyber crimes may be excluded and require a separate coverage.



PART 1 - ESSENTIAL COVERAGES

LIABILITY INSURANCE

Liability insurances are designed to provide protection against third party claims resulting from injuries and damage to people's property. Liability insurance policies cover both legal costs and any payouts for which the insured party would be responsible for if found legally liable.

Pay attention to:

Intentional damage and contractual liabilities are generally not covered in these types of policies

DIRECTOR & OFFICER LIABILITY



This type of insurance helps cover defense costs and damages (awards and settlements) arising out of wrongful act allegations and lawsuits brought against an organization's board of directors and/or officers. These types of claims have become increasingly common and directors and officers themselves could be held personally liable.

Pay attention to:

This insurance is crucial for schools that are looking to attract and retain qualified executives and board members

EMPLOYER LIABILITY



Also known as work compensation, it covers the accidents or occupational illnesses that could happen to employees during their employment. The policy covers death or disability, legal defense costs and indemnification. Emergency medical costs related to labor accidents are also refundable up to a chosen limit.

Pay attention to:

Highly recommended coverage in China but not mandatory by law. When applying, verify the limits of coverage according to market conditions and required minimum.

PROFESSIONAL INDEMNITY



Another highly recommended coverage for international schools. In the event of a staff member providing inadequate advice or services resulting in losses (e.g.: staff losing important documents, an unintentional breach of confidentiality), this insurance provides cover for the legal costs and expenses in defending the claim, as well as compensation payable to the suing party to rectify the mistake.

Pay attention to:

The exclusions on the policy which vary depending on the insurer.

PUBLIC & CAMPUS LIABILITY



It will protect your school in case of third party accidental bodily injury or property damage incurred while carrying out work (e.g. a contractor trips over a cable on the campus and break a leg, he/she ask for compensation due to negligence.) The policy also covers legal fee and fines should the case go to court.

Pay attention to:

Public liability plans may require extensions to fully insure the school's risk such as extracurricular activities, bus transportation or students and their parents while on campus.

part 2 - other commercial insurances schools should consider

GROUP PERSONAL ACCIDENT INSURANCE



Group personal accident insurance will provide valuable coverage to employees and students in case of an accident. These types of policies could cover accidental death or disability up to a lump sum.

CONSTRUCTION / ERECTION INSURANCE



It provides protections against loss arising from a construction site during construction work. This kind of policy can cover property damage, third party liability in case of an accidental bodily injury.

Pay attention to:

Damages resulting from a faulty design are not covered. Normal building obsolescence will also not be comprised in this coverage.

CYBER INSURANCE



They are designed to help companies hedge against the potentially devastating effects of cybercrimes, such as: malware, ransomware, distributed denial-of-service (DDoS) attacks, or any other method used to compromise a network and sensitive data. Schools are particularly vulnerable since they hold a lot of data, such as student and staff personal information, payment means etc.

Pay attention to:

Cyber insurance does not replace the need for robust cybersecurity measures. Some insurers may condition claim payment to the fact that the school has followed every possible cybersecurity protection measure first. Cyber insurance could act as business interruption insurance in case of cyber-attacks to help the school resume operations. Some plans will also include features such as coverage for cost of crisis communication to clients and data recovery.

PART 2 - COMMERCIAL INSURANCES

GROUP TRAVEL INSURANCE



This will insure unexpected issues during travels, for example, during a school trip. Travels plans usually include a medical part to cover medical emergencies resulting from accidents or unforeseeable illnesses and a non-medical part, including delayed / cancelled flights, loss of luggage, loss of money etc.

Pay attention to:

Travel insurance can be charged per day of cover which is effective to only cover the duration needed.

Pre-existing health conditions are excluded from medical cover.

Competition intensifies among international schools in China:

1300 +

international schools
in 2023.

GROUP CRITICAL ILLNESS



This policy provides a lump sum payment in case the policyholder is diagnosed with an illness deemed critical. Insurance companies will issues list of conditions considered critical and allocate a percentage of compensation accordingly. The early stages or non-critical disease may be indemnified partially. Medical evidence is required by the insurer when making a claim and pre-existing conditions are not covered.

Pay attention to:

The policy only triggers in case of a critical condition appeared during the period of cover. Each insurer have their definition illnesses considered critical.

if the medical condition existed prior to be insured the insurer may refuse to indemnify.

If the policy is subscribed as a group the cover will apply as long as the member is an employee.

“ International schools need to consider on how to maintain their attractiveness among such competitiveness.”

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PART 3 - GET COVERED IN 4 SIMPLE STEPS

1

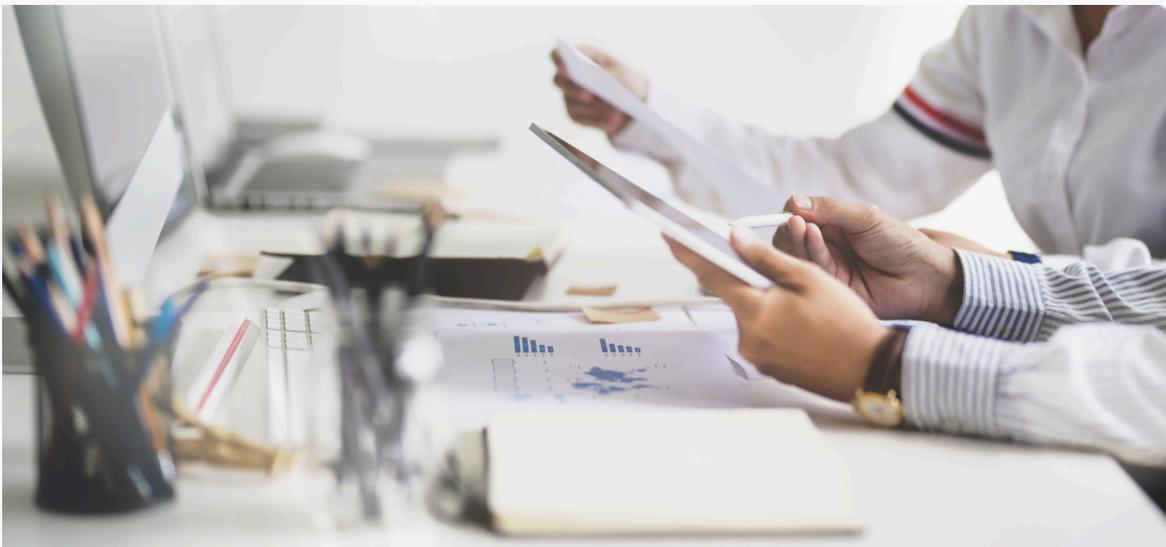
Analyzing your needs and situation, audit your existing coverage.

During this initial step we will deepen our understanding of your business objectives, situation and requirements. We will engage with you to collect necessary information and understand your school's current risk exposure and the coverages already in place.

Propose coverage recommendation to minimize risks.

Based on the previously gathered information, we will formulate recommendations regarding which insurance coverages should be considered. We will validate with you the strategy to mitigate the school's risks and the plans to be quoted before further processing.

2



Plan comparison and benchmark to secure the best choice.

We will present a thorough comparison of the best insurance solutions fulfilling your requirements. We will compare the relevant criteria to help you make an informed decision. We will deliver a specific recommendation as to what we think is the best fit.

3

4

Implementation of the insurance plan.

With your agreement on the terms and conditions, benefits and premiums, we will assist you with setting up the insurance policies. This is also the time where we will train and educate relevant people on using the plan, claim processes etc. through orientation and Q&A sessions. We will also introduce the dedicated service team in charge.





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