

**HOW REPORTING TECHNOLOGY IS REVOLUTIONIZING
THE WAY INSURANCE PROVIDERS REDUCE BEHAVIORAL
AND SAFETY CLAIMS**



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ABSTRACT

The mass adoption of mobile devices, text messaging, and social media by American youth has spurred complicated new challenges for school administrators who must now safeguard their students against threats such as cyberbullying and predatory online behavior. Incidents that have occurred in this new frontier of unsupervised student interaction have also brought about costly claims for insurers.

Over three dozen insurance pools have furnished their member schools with an anonymous reporting program created by STOPit Solutions in an attempt to safeguard students and help prevent and reduce claims. This white paper examines:

- **how schools are employing the technology to address problematic behaviors**
- **how insurers use STOPit Analytics to lower risk**
- **how the program works to reduce claims and save money for insurance pools**

Bottom line, insurance industry stakeholders interviewed believe STOPit's anonymous reporting system has reduced overall claims and settlements. At the same time, the high usage statistics indicate that beyond the bottom line, pools are providing schools with a tool that is helping educators protect their students' and employees' physical and emotional well-being.

THE PROBLEM

The onset of new technology and social media has led to an increase in new types of incidents and associated claims that insurance pools must now manage, including harassment, self-harm, substance abuse, and other mental health crises, sexually inappropriate behavior, inappropriate relationships, bullying, and threats of violence.



BACKGROUND AND SOLUTION

Introduction and Overview of STOPit Solutions

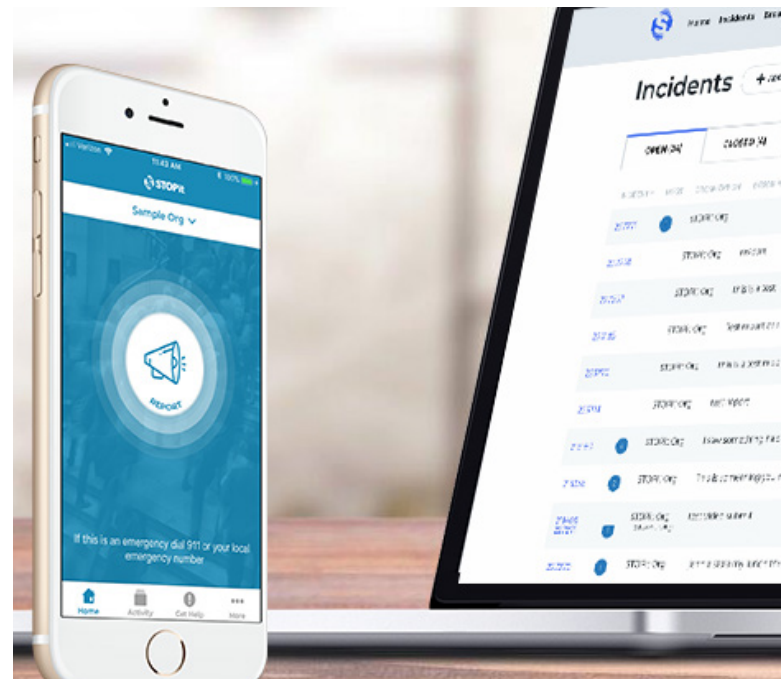
By the time STOPit Solutions' anonymous reporting system went live in 2014, America's teens already had their whole proverbial worlds in their hands. A Pew Research survey of students ages 13-17 taken during that school year found that 88% had access to cell phones or smartphones and 90% of them exchanged texts. The typical teen received an average of 30 texts per day, and three-quarters were using social media apps and sites like Facebook, Twitter, Instagram, and Snapchat. The saturation has since become near-total, with Pew's research now showing 95% of teens have access to the devices and nearly half reporting they are "almost constantly" online.

While these technologies helped forge friendships and open new lines of communications among peers, they also gave a fast rise to societal problems such as cyberbullying, teen sexting, and online sexual predators. Conflicts that were once carried out in the schoolyard to avoid the watchful eyes of teachers were suddenly taking place 24/7, off school grounds but in full, humiliating view of classmates, and sometimes far wider audiences of strangers.

Traditional means for reporting such incidents were no longer adequate. Getting caught sharing information with a teacher or administrator has long earned students the dreaded "snitch" label and injured their ability to make friends; now it can get them unfriended, with an avalanche of humiliating retribution broadcasted to their peers instantly. The quaint mailbox at the end of the hall outside of the guidance counselor's office was never a great solution, and even attempts at appropriating other, simple technologies for reporting had limited effect. Online forms were too hard to find on school websites or asked too many questions; students distrusted whether their identities could be detected through dedicated

email accounts; special voicemail lines offered administrators no way to follow up with questions so they can provide help.

The STOPit anonymous reporting system has leveraged the same technologies found in every teen's hands to develop an effective, highly specialized tech platform solution to combat these issues.



In the process, it has reduced claims and mitigated risk for school insurers. From its start in a handful of New Jersey schools in 2014 to over 6,600 schools nationwide at the start of the 2020 school year, insurance pools have been a major driver of STOPit's growth. Reinsurers have been so convinced of the return on investment that they've offered (and continue to do so today) financial incentives to pools and JPA's that allow them to offer the app for free to member school districts.

Introduction and Overview of STOPit Solutions

In addition to financial investment, the insurance industry has also helped mold the technology. One example of such influence was the incorporation of robust documentation and analytics capabilities to help insurers judge the proper course of action in individual cases, identify important trends, and provide Risk Managers the ability to allocate education and training when and where needed at the school district level.

This paper will examine the factors that have made STOPit an asset for insurers covering K-12 school districts. It will include perspectives from four representatives of insurance pools that have collectively made the app available to 381,000 students. These executives are:

- South Carolina School Boards Insurance Trust (SCSBIT) Director of Insurance Steve Mann;
- Self-Insured Schools of California (SISC) Director Robert Kretzmer and Safety/Loss Control Specialist Kerri Jones;
- and School Pool for Excess Liability Limits Joint Insurance Fund (SPELL JIF) Deputy Executive Director Scott Tennant.

At a Glance

INSURANCE POOLS PROFILED IN THIS PAPER



South Carolina School Boards Insurance Trust (SCSBIT)

Headquarters: Columbia, South Carolina

59

Total School Districts

27

School Districts Using STOPit

197K

Students Attending STOPit Schools



Self Insured Schools of California (SISC)

Headquarters: Bakersfield, California

120

Total School Districts

41

School Districts Using STOPit

160K

Students Attending STOPit Schools



School Pool for Excess Liability Joint Insurance Fund (SPELL JIF)

Headquarters: Marlton, NJ

84

Total School Districts

19

School Districts Using STOPit

24K

Students Attending STOPit Schools



NATIONAL PROFILE

6,663

School Customers

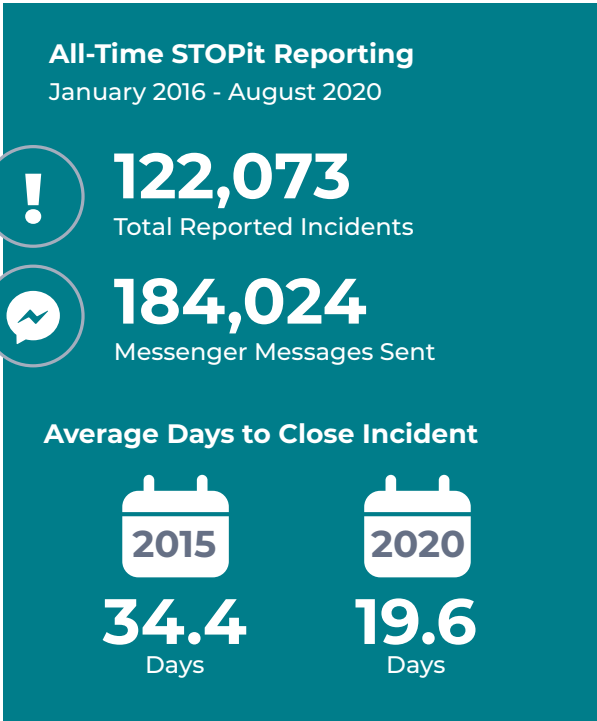
1,651

School Districts

4M

Students in STOPit Schools

Reducing Abuse and Claims: STOPit in Schools

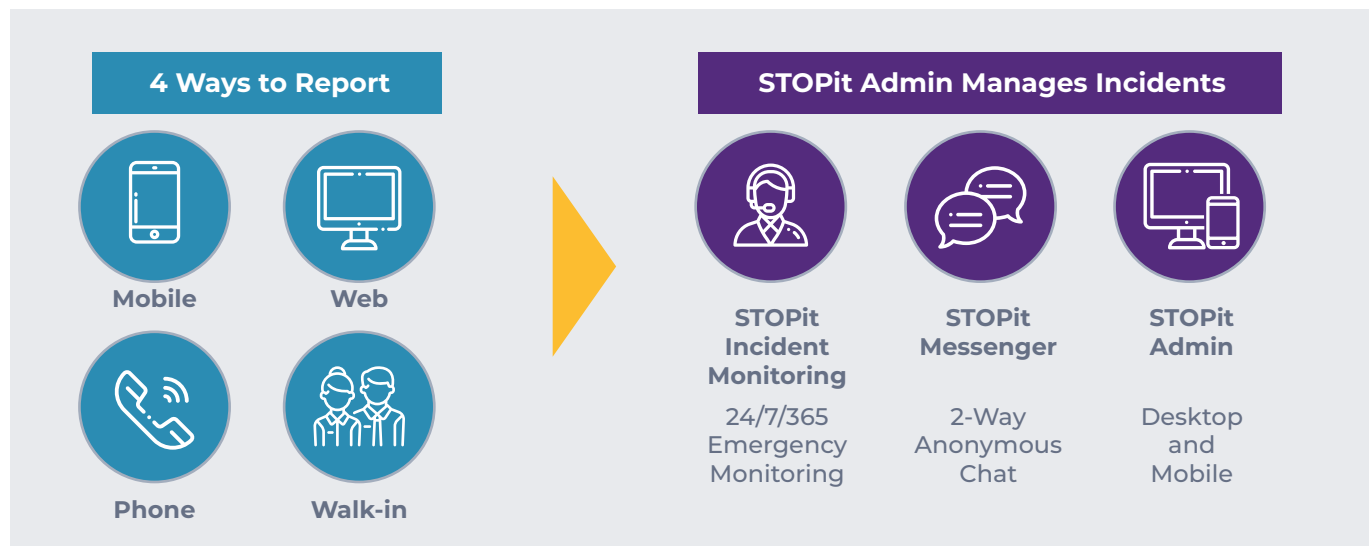


Administrators have been able to reduce resolution time from an average of 34 days when the enterprise-class system was first launched in 2015 to 19.6 days in 2020.

Customers utilizing STOPit’s Incident Monitoring Service enjoy a dramatic improvement in incident open rates compared to districts who are managing incidents on their own: 1.71 minutes vs. 4 hours (2020).

To understand how the STOPit app works, simply pick up a phone and text someone. The app was designed to look, feel, and function much like the short message service (SMS) systems that are commonly found on phones and tablets. Like SMS, STOPit can be used to share verbal information, photos, and videos, and the account administrator receiving such messages can reply. Students get a unique access code, type the reported incident (adding a picture or video if they wish), and hit Report, sending their encrypted message to designated school contacts. And as easy as it is to use the mobile app, users can also report incidents and reach out for help on their laptop or other school-issued learning device. Additionally, many schools also offer access to report anonymously through an integrated hotline.

With its 2-Way Messenger interface, these text-like messages are also encrypted so the recipient has no way of being identified. Administrators can carry on back-and-forth conversations with senders to probe the reports further and offer help, and have the option of reviewing their reporting histories for possible insights on their credibility. This communication can also be used as a “teachable moment” to reinforce the benefit of reporting issues and support safe learning environment initiatives.



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Reducing Abuse and Claims: STOPit in Schools

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For students, the app's appeal lies in its ability to let them report incidents and any issues on their minds without any fear of reprisal. Students have sometimes been known to test the system initially to get a sense of whether the guarantee of anonymity is authentic. Once acceptance sets in, they increasingly trust it for sharing information that aids investigations and the app's success can become an effective deterrent against bad behaviors.

Tennant said that in periodic meetings with an advisory committee SPELL JIF formed of STOPit users, he often hears about how the app has empowered students to become upstanders and prompted them to share information that they might feel uncomfortable divulging in person with school staff. "The stories at those meetings always follow a general trend: The app has empowered one or more, often a group of students to champion doing the right thing," Tennant said. "It really changes the dialogue among students and it changes the dialogue they have with their teachers, in a very positive way."

Kretzmer recalled that part of SISC's interest in STOPit was its potential for leveraging anonymous tips to preemptively thwart situations that could lead to claims. "In the process of investigating claims, oftentimes what we will discover is that a student knew about the issues that eventually led to a confrontation that eventually led to some sort of assault or sexual assault," he said. "If we had a tool that could investigate those rumblings before they took hold in any sort of way, we felt like it was a good investment." He cited an example of a school covered by SISC that was provided with an anonymous tip about a girl who indicated her intent to harm herself. A friend shared this information with the school through STOPit, and authorities were able to get her the counseling she needed.

In addition, STOPit offers a 24/7 Incident Monitoring Center (IMC) option that ensures any tips received online during off-hours, including holidays, weekends, and late nights, are fielded promptly. Trained operators can immediately refer emergency situations to the local police or other designated contacts. Youths can submit

tips through a web interface with the same functionality as the app or via STOPit's phone hotline in participating school districts. At the start of the 2020 school year, 1,370 schools were IMS system subscribers and 1,046 had hotline access.

COVID-19 effectively pushed students' social lives further online, where opportunities for harassment increased and supervision by teachers or other adults was scarce. Although schools were no longer holding in-person classes on school grounds at the height of the pandemic, Jones continued to recommend districts adopt STOPit. "Concerns regarding COVID resulted in many districts transitioning to online instruction or a hybrid approach. We encourage our member districts to continue the use of the STOPit app. It allows students to reach out for help and report issues, particularly cyber-abuse that may be occurring through some form of social media. The learning delivery system may be different, but the STOPit app is still a tool in the toolbox to increase the learning and safety of students," she said.

Features such as the IMS system are part of STOPit Solution's commitment to continuous improvement. The app's functionality and all associated programs and services are always being evaluated for opportunities to make the system easier to use and add value to the customer community. Customer feedback is a critical part of this process.

STOPit's inclusion of a library of social-emotional learning content, available directly through the app, is a particularly welcome feature. Added in 2019 in response to customer feedback, STOPit's SEL Center includes 90+ grade-level appropriate mental health topics, in 12 categories for both students and administrators. School administrators can share specific mental health topics with a student or the entire student body. Schools who use this resource have an interactive, easy to use tool to help them meet their goals to protect and promote mental health and emotional resiliency for their students.

STOPit Data: Actionable Intelligence for Insurers

Outside of the view of front-end users, STOPit collects a wealth of non-personal data that can inform insurers' decisions. Statistics are kept for the number of incidents reported in each district and school by 20 "families" (e.g. bullying, vandalism, inappropriate relationships). Every individual report has its own, detailed activity log, indicating when the first contact was made, when and how the school responded, and the contents of each conversation.

For an insurer weighing how to handle a claim, this data provides invaluable intelligence. It can help assemble a more complete picture of whether or not a school handled the situation correctly. The chain of documentation can reveal whether a report was elevated to a school resource officer, whether the superintendent was informed if police were alerted – all of which can be impactful in court. Depending on the agreements with school districts, insurers can arrange to be copied immediately when reports of the most serious nature -- those that are most likely to lead to claims – are submitted via STOPit. The sooner an insurer is aware of a serious incident the better they can provide resources to their member insured.

The collective data on overall reporting can be mined by insurers to identify trends within schools and districts. Comparisons can be made from school to school within districts, or pool-wide to learn, for example, where reports of safety issues are higher than average or where harassment reports have dropped (or increased) over time. STOPit produces quarterly analytics that summarize this data for its customers.

SPELL JIF uses these activity reports to guide conversations with school districts on sensitive topics. "There are certain kinds of claims that are absolutely frightening from an insurance standpoint, [such as] anything related to sexual abuse and molestation.

It's very, very important to see those kinds of things because they're topics that school districts by and large are uncomfortable with and don't really want to talk about. But you can't pretend that it isn't going on when you have data in front of you."



Top Incident Categories Reported

January 2016 - August 2020

13%

Bullying/Cyberbullying

10%

Intimidation/Harassment/Hostile Environment

10%

Misconduct

7%

Alcohol/Drug Use, Abuse or Distribution

5%

Threat or Planned Attack

10%

Non-Violent Conflict

2%

Inappropriate Relationships

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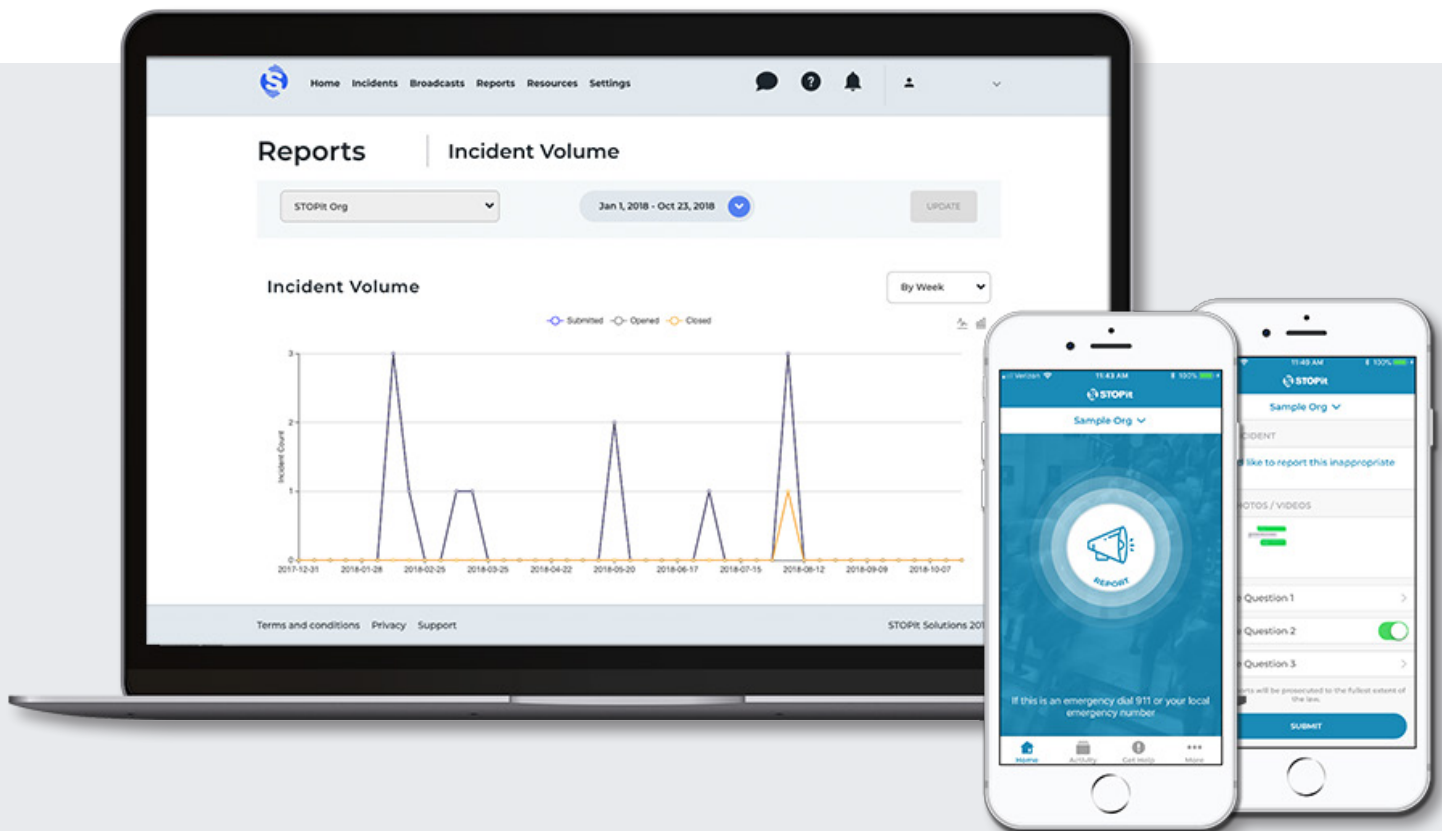
STOPit Data: Actionable Intelligence for Insurers

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Moreover, Tennant sees potential for STOPit's recently growing Social Emotional Learning (SEL) Resource Center to help schools improve their incident management protocols. The professionally curated library of articles and multimedia related to social and emotional learning topics can be accessed by school staff and students. This content can be broadcast via the STOPit app to all users in a school or shared just with a reporter, depending on the special situation. For example, educational resources for coping with grief can be made available to students in the wake of a tragedy. The SEL Resource Center debuted in February 2019 and was in use by 496 schools in August 2020.

STOPit data can also be used to investigate a particular school district's loss experience. Just as an auto insurer will consider a driver's record, an educational insurer may see the low numbers of reports and the documented track records of how districts respond to them, and set premiums accordingly.

Likewise, STOPit can be considered a loss control program – like an alarm system or extra safety features in a car -- that garners a district lower premiums. Superintendents who strive to build their districts' reputations as safe and community-oriented environments have reached out to their insurance pools for suggestions and been encouraged to adopt STOPit.



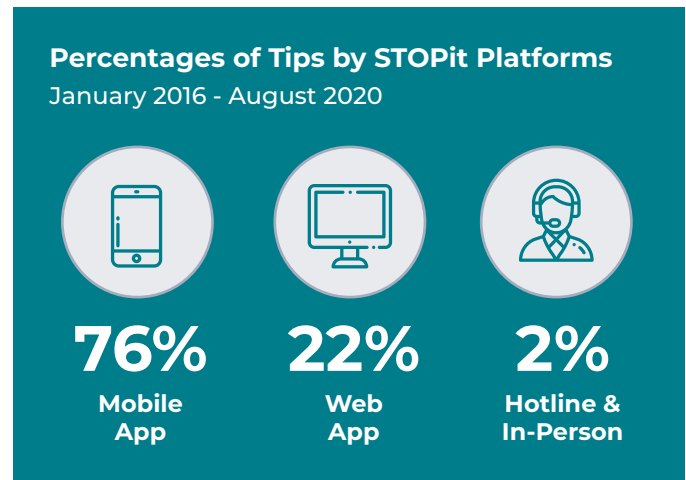
Driving Engagement by Ease of Use and Onboarding Aids

One factor that has set STOPit apart from other anonymous reporting technologies is the breadth of resources it provides to ensure that the onboarding process is successful. Insurers paying for a district's license naturally want to see it used. STOPit drives engagement with steps that help build excitement among students and communities, and by removing key barriers to adoption that make launching and using the app too easy to resist.

STOPit's marketing collateral includes welcome messaging geared towards student, teacher, and parent audiences, with links to branded landing pages; sample social media messages and shareable images; customizable email campaigns; webinars and videos; presentation templates; and sample press releases that have been successfully leveraged to attract media attention around the country. Members of STOPit's Customer Success Team are available to schedule training sessions for school staff and demos for decision-makers, and they are available to provide technical assistance at any time.

Tennant points to the STOPit-designed kickoff assemblies as a particularly effective booster for student buy-in. At these presentations, the app is introduced to the student body, who are encouraged to participate in a mass download. Schools sometimes invite guest speakers, such as public safety professionals, to discuss bullying and cyber safety issues. Tennant attended multiple such assemblies in New Jersey and recalled that at each of them, students approached the guest presenter at the end to share their stories.

Perhaps the most effective driver of engagement is the intuitive nature of the app. STOPit was designed to mimic the experience of text messaging precisely because it was so familiar to today's students. According to Kretzmer, that comfort level has removed any intimidation that might come from using new technology.



"Because it's an app on a mobile device, and that's what this generation tends to use more than not, it made a lot of sense," Kretzmer said. "Plus, they can use that resource anonymously without having to call somebody out for bad behavior, vandalism, bullying, or whatever it may be. The individual doesn't even know who reported it." The app's anonymity doesn't just shield victims, but witnesses who want to stand up for them, helping encourage upstander behavior in schools.

The technology's appeal may not end with teens. Kretzmer and Mann observed that younger school leaders who are accustomed to mobile apps also tend to embrace STOPit as a solution for their districts.

All interviewed pointed to two chief obstacles to the adoption of STOPit by new districts: Fears of false reports, and that it would become a time drain. Superintendents commonly ask whether offering students a means for sharing tips without any means of identifying them would invite pranks or bogus information that faculty would nonetheless be forced to investigate. In fact, only 2% of STOPit reports are classified as false. Many of them are simply students experimenting with the system in the very beginning (i.e., "Hello, is anybody there?") and require no actual follow up.

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Driving Engagement by Ease of Use and Onboarding Aids

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“It’s kind of a natural progression,” Jones observed. “The kids are testing it to see how an administrator would respond, how quickly they’d respond and what they’ll say. Once they get over that hurdle everything seems to run smooth.”

When introducing STOPit to principals, assistant principals and guidance counselors who are often the ones responsible for its day-to-day monitoring and implementation, Tennant has frequently been told that they have no extra time to take on a new task. By law, New Jersey schools are required to act on any reports of harassment, intimidation, and bullying (HIB) and document their responses. Tennant makes the case to principals that STOPit will actually reduce the time spent working on HIB (Harassment, Intimidation, and Bullying) reports and free their time to work more on their core educational missions, but that argument is always stronger when it comes from a fellow educator than an insurance executive.

“Those are very difficult, inherent objections to get over.

The only way you get over those is by having a peer who has used the program speak to them and tell them, ‘I had the same fears, but then here’s what happened,’ Tennant said.”

In fact, STOPit’s comprehensive, team-based support program makes onboarding and training easy for staff. The customer care team makes sure that not only do schools successfully launch the app and program, but also provides ongoing, customized support to make sure schools are always getting the full benefit from the STOPit program.

Insurers can spot a lack of participation by schools through STOPit’s analytics and address it with the districts. Mann said that in some of the more rural and low-income districts he serves, low use is likely tied to lower ownership of mobile devices and Internet access. But he observed that a superintendent who champions STOPit can overcome most other barriers and drive its success.



STOPit's Economics and the Advantages of Pools

Insurance pools use their bargaining power to save money for themselves and their public sector clients when purchasing STOPit's Anonymous Reporting System. Incentives include buying licenses in bulk for hundreds of school customers to take advantage of reduced rates offered by STOPit Solutions. They can receive additional discounts by negotiating an advance price for all of their members and paying the license fees upfront; or if they're not sure how many will participate, they can opt for pay-as-they-go licenses.

Pools typically offer STOPit to their school districts in one of two arrangements:

1. Provide it to them at no cost or
2. Subsidize it and charge the district a sharply reduced rate versus what they'd pay if they subscribed on their own.

All of the pools represented in this paper offer STOPit to their districts for free. Through July of 2020, STOPit had 43 insurance pool partners and over half of all STOPit schools obtained their licenses through a pool.

While none of the insurers interviewed have conducted an empirical analysis of the costs saved through reduced or thwarted claims, all provided anecdotal support for STOPit's return on investment. According to Tennant, when a parent files a HIB claim, the typical "nuisance value" is roughly \$100,000. When you weigh the legal costs of contesting the claim in court and the reputational damage the case can cause for the teacher or school, the wisest course is often to make a modest settlement offer and move on. "A claim like that can have great credibility or it can have no credibility at all, but they all play out the same," Tennant said.

"Since we've had STOPit, we've had fewer of those. STOPit only needs to prevent one such incident to earn the investment back. It reduces claims and it pays for itself. And as time goes on, it really increases the communication value between educators and their students, Tennant said."

Recognizing the ROI, the reinsurer Great American Insurance Group has offered its Public Entity Pool Customers lower premiums for using STOPit. As a result, Great American will benefit from a reduction in higher catastrophic claims.

Mann recalled this as a powerful selling point when his pool's board was considering taking on STOPit as a resource for its schools. When asked by one school representative what other anonymous reporting products he'd investigated, he was candid: "This is it." "For Great American to say, 'This is a good product, and by the way, we're willing to underwrite some of the cost and file this into your premium,' that's a huge endorsement," Mann said.

Mann and Kretzmer agreed that even if Great American rescinded its reduced premiums, they would likely continue offering STOPit to their schools. Mann said if the app stops one child from suffering from bullying, sexual misconduct, or any other forms of abuse, the cost is worth it.

"I would not want to be the district that doesn't have anything in place while all my neighbors have STOPit free to them, and then something happens," Mann said. "What would be your rationale for not having it?"



Who Are STOPit's Customers?

September 2020

3,765

Schools from Insurance Pools

2,498

Schools Subscribed Directly through Districts:

370

Schools from Educational Service Centers

CONCLUSION

From a financial perspective, the key to any insurance company's success is to take in more premium dollars than they payout. For insurers in the education sector, this standard has been more difficult to meet in recent years due to students' mass embrace of mobile devices, social media, text messaging, and other digital communications technologies. However, insurance industry stakeholders interviewed in this white paper believe STOPit's anonymous reporting system has reduced overall claims and claim payouts. At the same time, the high usage statistics indicate that beyond the bottom line, pools are providing schools with a tool that is helping educators protect their pupils' physical and emotional well-being.

