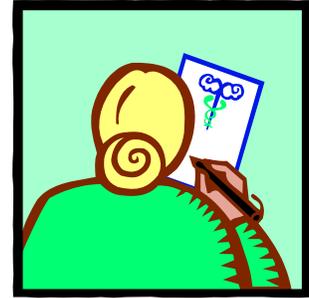


INSURANCE/LIABILITIES

Assessing Liability

Colorado Division of Insurance web site provides information and resources regarding all type of insurance, from workers compensation to automotive insurance to health insurance:

<http://www.dora.state.co.us/Insurance>



Districts need to assess their insurance needs according both to mandatory law and risk associated with their activities. They should consult with insurance professionals to do this. Part of the district board’s fiduciary responsibility is to ensure district legal insurance responsibilities are met and district finances, assets, personnel, partners and good standing are protected by adequate insurance.

If using partners’ funds for activities— particularly government partners –Districts should read contracts carefully to ascertain if there are any stipulated insurance requirements, or if other parties need to be named as insured on District current insurance documents. Proof of insurance (copies of certificates furnished by insurance providers) may be required by partners, and the Districts should safeguard themselves by requiring proof of insurance from third-parties whom they engage – contractors for instance. Keeping track of when insurances expire will help ensure such documents are up-to-date and valid.

Districts also should consider reducing their risk – for example by providing appropriate safety training, installing alarms, having maintenance schedules for equipment. Safety training participation and equipment maintenance should be documented, including signatures.

Mandatory Insurances:

- Worker compensation for staff and board members.
- Unemployment insurance for staff
- Vehicle liability insurance (could include private vehicles)

Risk Assessed Insurances:

- Public liability for staff/board decisions and actions
- Public liability associated with District services, events, and activities
- Public liability associated with providing hire equipment
- Public liability associated with engaging volunteers
- Public liability for buildings and property
- Theft/damage insurance for assets – buildings, property, equipment
- Protection against employee malfeasance
- Protection against pre-loss legal fees
- Other vehicle insurance (non-owned vehicles/uninsured motorist)



Supplementary employee benefits – health and life insurances



Governmental Immunity

As a political sub-division of the state, Conservation Districts are covered by the Governmental Immunity Act (Title 24, C.R.S. Article 10) regarding liability claims. This act does not confer complete immunity against all types of claims. It does confer immunity against many tort (civil)

liability claims involving negligence and places an upper limit (\$150,000 per person to maximum of \$600,000 per occurrence) for some other claims.

The most applicable areas where “sovereign immunity is waived” (and thus liability is incurred by the district up to the upper limits listed above) are operation of a motor vehicle and dangerous buildings. Dollar limits on claims does not apply outside the state of Colorado.

The Governmental Immunity Act does not apply to:

- Violations of federal law (such as workers compensation, civil rights cases)
- Breach of contract claims
- Criminal claims

Caution:

Any type of claim can be made against a District and in any individual case it will be the attorney’s involved who will ascertain whether the Governmental Immunity Act applies or not. In our litigious society, Districts are advised to consult with insurance professionals to ensure adequate coverage for their activities and risk, even with the Governmental Immunity Act in place.

Link to Colorado Governmental Immunity Act (CRS Title 24, Article 10; 24-10-101-120): [CLICK HERE](#)



State Contracts And Insurance

Government organizations need to protect themselves against insurance claims for work done by contractors, including districts – especially with the “deep pockets” potential claimants may believe government has. Government contracts generally have stated standard minimum insurance requirements that the contracted entity must carry. Districts are covered by the Governmental Immunity Act (see above) and for Colorado state contracts the act applies in terms of the required insurance limits. A copy of insurance certificates proving required insurance is in place is required to be sent to the state department contract officer awarding funds within 7 days of signed contracts or, with the agreement of the contract officer, when work begins. It is also stated in the contracts that it is the responsibility of the district to send updated insurance certificates when the existing policy expires. Generally, an insurance provider can be requested by the district to send copies of the insurance certificates directly to the state department contract officer.

For the Colorado Department of Agriculture the contract officer is:

Rob Archer
Colorado Department of Agriculture
700 Kipling Street, Suite 4000
Lakewood, CO 80215-8000
Tel: 303 239 4130

**Mandatory Insurances: Board and Staff Injury
- Workers Compensation**



Workers compensation is payment awarded if a board or staff member is injured while providing services for the District. It covers both medical expenses and lost wages. Workers compensation insurance is purchased through an insurance agent and must be entirely paid by the District.

Options include:

- Your local insurance agent
- Colorado Special Districts Association Property and Liability Pool (member-owned organization serving Colorado special district organizations)
1-888-313-7322
- Colorado Compensation Insurance Authority doing business as Pinnacol - (quasi-independent organization set up by state law as a body corporate and political subdivision to help meet state workers compensation requirements)
Denver: 303-361-4000 or toll-free 1-800-873-7242: 303 361 4005 (Spanish)
Grand Junction: 970 257-2330

Information on employer legal requirements can be obtained from Colorado Division of Workers Compensation at:

Web site: <http://www.coworkforce.com/dwc/>

Tel: 303 318-8700 or toll-free 888 390-7936 or 1-800-685-0891 (Spanish)

Districts should check with their provider and inform their board/staff about how to report a potential workers compensation injury – time is often critical and there may be designated medical providers to inform. If the District has a policy book, how to deal with a workers compensation claim could be included.

Board Members



As special districts, conservation districts must either provide workers compensation insurance for board members or an annual resolution and file for exemption for such coverage with Colorado Division of Workers Compensation not less than forty-five days prior to the start of the policy year for which exemption is being requested. ***Thus this must be done every year to remain in legal compliance if board member workers compensation is not purchased.*** The form (WC44) is obtained from the Division of Workers Compensation (contact information above) and on their web site under the official forms list.

Purchasing workers compensation for board members is relatively inexpensive – in 2009 one might have expected \$200 for the entire board.

The statute that sets out the workers compensation requirement for board members is C.R.S section 8-40-202(1)(a)(I)(B),

[CLICK HERE for an example of a resolution to exempt board members for workers compensation insurance.](#)

Employees



Workers compensation insurance rates for employees vary according to the type of job classification the insurer assigns an employee based on their job duties – with the highest risk duty, even if very occasional, dictating the job classification. Payment is typically charged at an amount per \$100 of payroll. It is important that districts provide and keep their insurance carrier updated with any changes of *job duties* of their existing or new staff since if a claim was made and the person was undertaking a duty with a risk the level of insurance does not cover the district could be liable for expensive premium back payments or even worse, find that the insurance company refuses to pay the claim and the district is sued because workers

compensation is a mandatory insurance. Changes in your workers compensation payment with a new employee reflect the increase because amount paid is per \$100 of payroll – you still need to let your insurer know if the new employee is doing different types of duties that could be higher risk and require extra insurance – driving a vehicle or ATV for example, or making field inspections. Conversely the district should ensure it is not overpaying because its employee has been wrongly classified. Some job classifications carry high risk – in some jobs the workers compensation insurance can even be higher than the payroll! Agricultural workers carry an elevated risk and some districts have been overpaying by several hundreds of dollars because they have field technicians that have been classified as “agricultural workers” even though they do not operate any farm machinery or work with livestock (see “Workers Compensation rates and Pinnacol Insurance below).

Workers Compensation Rates and Pinnacol Insurance

Many districts (or their agents) use Pinnacol Insurance for their employee workers compensation in Colorado. Pinnacol use the National Council on Compensation Insurance (NCCI) to classify jobs and their workers compensation insurance rates are expressed as a rate per \$100 of payroll based on that classification.

Example

A customer service representative at NCCI was given the following description of a district business and gave the following as a probable classification. A Pinnacol agent in Denver provided their rates for these classifications as of September 2005:

Description of What District Does

A political subdivision of the state
District Manager who is office based
Undertakes educational outreach – workshops, schools, public meetings
Employees drive vehicles (*nb: NRCS insurance does not cover workers comp, only liability*)
Field technician does survey work and visits field job sites – does not operate field machinery

NCCI Probable Classification of Jobs and Pinnacol quoted rates

Classification 8601: Architectural or Engineer Consultant
81c per \$100 payroll

Classification 8810: Exclusively office based
39c per \$100 payroll

If you wish to contact the NCCI directly yourselves to discuss classification or rates in Colorado, then their customer service number is : 800 622 4123.

For districts which are not using Pinnacol for their workers compensation, classification etc may be based on different sources.

Mandatory Insurances: Unemployment Benefit



Unemployment benefit claims may be made whenever an employee loses their job through “no fault of their own” – including temporary assignments of more than a few weeks, or

when grant funding runs out. It is very rare for employers to be granted exemption from unemployment insurance liability by the Division of Labor and Employment and request for exemption must be applied for before a position is filled. Claims for payment of unemployment benefits are assessed by the Division of Labor and Employment. Claim amounts are based on employment history and employer's liability is typically shared over the previous sixteen months that the individual was employed. Claims are complex and case-specific and because of various timelines can cover a span of several years from filing a claim.

How Unemployment Insurance Is Paid



When a district has employees, it must register with the Division of Labor and Employment and select one of two options for employer unemployment benefit liability.

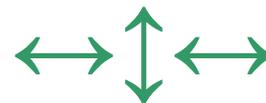
Registered districts will be under the “taxing option” for registered unemployment insurance unless they have elected in the past to be under “reimbursement option”. If they have never had an employee they may never have registered and will need to do so as they employ someone. **Taxing option** (also known as “contribution option”) means that the district files and pays unemployment tax regularly at about 0.2 -0.3% of salary, depending on current set rates and whether they have any past claims. If a claim is made, the state insurance pool pays out the claim. **Reimbursement option** means that although the district still regularly files, it makes no payments. However, if a claim is made the district must pay the claim out from its own funds. Unemployment claims are case specific, but a full eligible unemployment claim is typically around 60% of salary for up to six months within a maximum level (\$12,350 in 2009).

Because the districts are “Special Purpose Districts” their payments to the state for unemployment insurance are at a lower rate than most other organizations also covers the federal unemployment insurance liability (FUTA).. **Sometimes districts are wrongly classified and charged excess unemployment insurance taxes – be sure to confirm that you are registered as a “Special District” if you are paying more than about 0.3% of payroll. (30c/ \$100) under the taxing option.**

Obtain unemployment registration and coverage (taxing or reimbursement) through the Division of Labor and Employment, Unemployment Insurance Tax section at 303 318-9000 or 1-800-480-8299 or through their on-line services:
<http://www.coworkforce.com/uib/information.asp>

A well-written in-depth free booklet about unemployment insurance and benefits is available on request from the Division of Labor Unemployment Section – it is called the “Employers Handbook” and is form number UI-266. The web site above also has more information about unemployment insurance and benefits.

Implications of Unemployment Liability and Changing Options



Once a district is registered for unemployment insurance it can only change from one method to the other from January 1st of the next year and if changing from reimbursement to taxing option it will take time for the reimbursement liability to phase out because claims are based on past earnings and coverage (see example below). **Districts should carefully consider the low cost taxing option for reducing risk – particularly if they might experience staff expansion due to new positions, since it is not possible to be quickly adaptable should you wish to change to taxing option from reimbursement option.**

What Might a Comparative Options Scenario Look Like?

Example: a \$30,000 per year salary

Unemployment Insurance under Contribution Option at 0.3%: \$90 per year

Full Unemployment Claim Under Reimbursement Option: \$9,000

How Do Districts Change From Reimbursement To Contribution Option?

State law requires that all employees of an organization are under the same employment option and that changes from one option to the other cannot be made mid-year. Changes can only be made from January 1st (except for seasonal employers*, when March is the deadline – since districts operate all year they are not "seasonal employers"). A written request to change must be submitted to the Department of Labor and Unemployment. The letter must be on letterhead and signed. It should include the district account number and account name, and make the formal request to change to the "contribution" or "taxing" option for unemployment from January 1st of the appropriate year. The letter must be sent in *before March 1st* of the year in which the change is to take effect – the reason it can be retroactive to January is because the first unemployment filing of the year is not due until April. This is in accordance with CRS 8-76-107 8(d). In theory, the letter may be sent at any time prior to March 1st but in practice it is recommended it not be sent before the previous mid-December because the Department of Unemployment software for the following year is not active until December. Letters sent before they can be entered into the software have an increased potential of being inadvertently overlooked. It is recommended that you obtain confirmation that your letter was received and before March 1st check that the request for change was processed and you are correctly assigned "special district" status and rate. Districts have sometimes experienced difficulty getting registered if they have not confirmed the process is taking place.

** Seasonal employERS are defined by the Department of Labor and Unemployment and does not mean seasonal employEES.*

When Is The Reimbursement Liability Gone If I Change to Taxing Option?

Because of the nature of unemployment claims, some reimbursement liability continues for up to three years after the change to contributions option is made. In practice, the longer the time since the claim is made, the more reduced the liability is likely to be.

Eligible unemployment benefit claims are assessed on the first four of the last five quarters the employee worked.

For example: Employee laid off July 2005

Quarter 5 : April-June 2005 (this is the quarter not used in calculating benefits)

Quarter 4: Jan – April 2005

Quarter 3: Oct – Dec 2004

Quarter 2: Jul – Sep 2004

Quarter 1: Apr – June 2004

Individuals also have up to a year to make a claim and up to a year to collect the claim, and sometimes claims are further delayed because the individual has special circumstances that prevented them temporarily from being available for work, such as a workers compensation claim.

Therefore, because of the back timeframe on which a claim is calculated and future timeframe in which it may be paid out, the potential to claim on a reimbursement option may stretch up to three years, depending on circumstances.

However, the employment history of an individual also has a bearing on liability who is liable for unemployment claims. This can be complex in figuring out, because it depends both on time and employer history. Once the eligible five quarters for calculating benefit are covered under the new contribution option, or by a different employer, then the reimbursement liability is gone. However, because of the time period over which claims may be made, as described above, the five quarters may not necessarily be the last calendar five quarters.

Examples:

In the simplest situation, if an employer changed from reimbursement option to contribution option on January 1st 2006 and retains their employees, “reimbursement risk” is lost completely by the end of March 2007 (five eligible quarters have passed). However, the “risk” has also been reducing over time as each “eligible quarter “is passed. Claim liability is shared proportionately between the “contribution” and “reimbursement” quarters.

For example:

Employee changes from Reimbursement Option to Contribution Option Jan 1st 2006

Employee laid-off Jan 1st 2007

Q5: Oct- Dec 2006 – not included in calculation

Q 2-4: Jan – Sept 2006 – paid out of contribution option (Dept. of Labor pool)

Q1: Oct-Dec 2005 – paid out of reimbursement option. (Employer)

The same kind of shared responsibility for paying out claims is made if the employee has different employers. As the five eligible quarters pass under a new employer, the risk of a claim being made against the previous employer decreases. Similarly, the liability of unemployment benefit stretches backwards to previous employers for new hires.

An exception to this is when an employee makes an unemployment claim, starts with a new employer and then is laid off within a year and makes an unemployment claim again. Since any unemployment claim is “active “ for a year a new claim cannot be opened within a year of a claim made. In the scenario described, the second unemployment claim would be a reopening of the original claim and based on the same eligibility quarters as the original claim – disregarding the “new” employer period.

Mandatory Insurances: Vehicle Public Liability



Districts must obtain adequate legal insurance on their own vehicles as appropriate. They might also need to consider the implications of other vehicle use - private vehicles, hired vehicles, NRCS vehicles or uninsured motorist coverage.

Private Vehicles

If staff or board members are using their private vehicles – as many do for board meetings etc – the District should consult an insurance professional about risk. The insurance company insuring a private vehicle may or may not contest paying out a claim if an accident occurs while the vehicle is being used in District related activities. Or, they may pay the claim then increase the individual insurance rate or refuse to reinsure them. Options to prevent the District being at risk of incurring accident claims or being found negligent in ensuring proper insurance are:

- Require individuals using private vehicles for District use to provide copy of their vehicle insurance – including a clause that the vehicle is insured for work-related travel
- District purchase non-owned vehicle insurance to cover the use of private vehicles

NRCS Vehicles

The NRCS has generously allowed for district employees (not board members) to drive NRCS vehicles for conservation business at the discretion of the NRCS district conservationist (DC). **The NRCS has a local agreement that Districts must sign for use of NRCS vehicles** – ensure this has been done (check with your DC if necessary) before using the vehicle. The DC has the authority to allow or deny NRCS vehicle usage depending on vehicle availability and use. NRCS vehicles can only be used for conservation purposes and if there is any doubt as to whether the activity falls under this description it should be cleared with D.C.

- District staff driving NRCS vehicles must have a valid driver's license and adhere to NRCS driving rules. If they are other than short-term temporary employees, they should hold a Colorado driver's license.
 - In terms of passengers, only federal employees may ride in NRCS vehicles unless the person(s) is covered by an agreement. District employees can ride in NRCS vehicles while on conservation business.
 - The District Conservationist must be notified as soon as possible if an accident occurs:

Insurance Requirements for District Staff Use of NRCS Vehicles

Accidental damage to the NRCS vehicle itself (other than deliberate wanton or willful) is covered by NRCS risk management protection and is not the districts' responsibility. Wanton or willful is different than negligent. Negligent implies a genuine mistake or oversight – wanton or willful implies deliberateness. Insurance underwriters do not normally insure against wanton or willful behaviors.

Workers compensation insurance provided by the district covers injury to their employee. Districts also need to provide personal injury and liability cover for damage to any third-party person or property when district staff is driving an NRCS vehicle. The minimum level of such insurance is stated in NRCS-District agreement for Use of NRCS Vehicle and is in line with state insurance regulations. However, districts may want to talk with their insurance agency about the risk and whether they should carry more insurance. Because districts are covered by the Governmental Immunity Act, their liability is limited to \$150,000 per person and \$600,000 per occurrence within the confines of the act. *More information on the Governmental Immunity Act is contained in an above manual section.* In addition, if the employee is using the NRCS vehicle in the service of another agreement – a DOW or CSCB program for example – then the district should ensure it has sufficient coverage for insurance requirements that may be part of that agreement.

Obtaining Insurance for District Staff Use of NRCS Vehicles

If a district owns it's own vehicle then it will most likely be able to add the NRCS vehicle coverage to it's existing vehicle policy. If it does not own a vehicle, then it will most likely need to add a "non-owned and hired auto rider" to it's general liability insurance policy. It is important to note that not all non owned and hired auto insurance are the same and the district should discuss with their insurance provider what coverage is needed and provided. Only insurance professionals can advise on the insurance provisions of their policies, but some of the points to explore when obtaining coverage for use of NRCS vehicles by district staff are:

- 1) Damage to the NRCS vehicle is covered by the vehicle owner (NRCS- federal agency that is self-insured) unless wanton or willful
- 2) Medical expenses for the employee are covered by workers compensation
- 3) If the vehicle is being used for work purposes only - not personal use - and the vehicle rarely if ever is taken home by the employee
- 4) Coverage that is required is third-party bodily and property injury while driving a non-owned vehicle
- 5) How often the district employee uses the vehicle (is it regular use) and who else uses the vehicle (e.g. NRCS staff)

Risk-Assessed Insurances – Board Decisions



Board members (not staff) are covered by the state's Risk Management Fund for general liability for their **official decisions** so that they cannot be individually sued for the consequences of such official decisions. This coverage is intended to protect the personal assets of board members. It is also termed "Professional Liability" or "Errors and Omissions" coverage. **This coverage only applies when the individuals are acting as board – not to decisions made by individuals themselves or unofficial decisions.** To ensure coverage, official decisions should be made by a quorum and recorded in meeting minutes. Board members who make decisions without their board approval risk their personal assets should a claim be made following a consequence of that decision. Board coverage by State Risk Management is pursuant to CRS 24-30-1502 and CRS 35-70-107

Examples of State Risk Management Scope:

- Board vote to reject a conservation plan - applies
- Board sponsors a tour where a child is injured – does not apply
- Board member in personal vehicle hits pedestrian – does not apply
- Board recommends a faulty dust blowing solution – applies
- Board rents defective equipment - does not apply
- Board holds sale involving diseased trees – does not apply
- Board identifies wrong area for weed treatment - applies

District employees are not covered by the state Risk Management Fund for their decisions and neither are they covered for their actions – particularly important for field workers. To protect the district against claims for the decisions or actions of it's employees, the district needs to carry general liability insurance.



Risk-Assessed Insurances – Other Liabilities

In the insurance "Assessing Needs" section, various optional insurances are listed whose relevance depends on a district's individual risk assessment. Notwithstanding the Governmental Immunity Act (also described in the overview) district's should consult with insurance professionals about the risks they may be vulnerable to depending on their assets, personnel and activities. Insurance professionals are best placed to provide relevant and up-to-date insurance advice.

Volunteer Insurance:

Volunteer means unpaid people other than Board members. Volunteer waivers should be part of using volunteers for any activity – whether for a few hours at one event or for longer term help. Every volunteer should complete one before providing any service. Use of such waivers should be a part of District policy and although claims can always be made and will always be evaluated on their own merit, use of such waivers as standard operating procedure may significantly help protect districts if such a claim is made.

A volunteer waiver form is available in the Reference Manual Handbook Forms and Publications page of our web site : [CLICK HERE for link.](#)

Districts should note that if they place too much emphasis on "direction and control" of volunteers they may be obliged to purchase workers compensation for such individuals. Discuss this with the district insurance provider.

Who Can Provide Liability Insurance?



There are numerous insurance companies who provide general liability insurance and they vary in their experience and knowledge of insuring “special districts” – which is the type of organization (as well as being a political sub-division of the state) that conservation districts are. Also, every district is different and has different needs. District boards should carefully consider the risk associated with their district operations and their duty as elected officials to safeguard the interests of the District.

Local Brokers and Insurance Companies

Brokers vary in the options and allegiances they may have with insurance providers and their knowledge of insuring special districts. In addition, the insurance companies a broker uses or a district selects for themselves, may have more or less experience and knowledge of working with special districts. Since brokers are paid commission by the insurance companies they work with, their advice may be influenced by the range of insurance providers they work with. However, a good broker can provide good insurance advice and steer districts towards appropriate coverage. They can also act as a go-between for the District and the insurance company if they provide the coverage.

Colorado Special Districts Association (SDA)

An organization made up of special districts membership which has a general liability pool to negotiate insurance rates with insurance providers. The SDA has expertise and interest in meeting special districts needs. District must join the SDA to access the liability pool insurance (membership rate base on scale according to district budget) and must purchase all their liability insurance through the SDA liability pool (workers compensation excepted – this may be purchased or not through the SDA). Membership also provides for other benefits such as a newsletter about matters of interest to special districts, options for purchasing employee benefits at group rates and lease-purchase arrangements to construct, or purchase facilities or capital investments.

SDA web site: <http://www.sdaco.org/>

Tel: 303 863-1733

SDA Property and Liability Pool (McGriff, Siebels and Williams Inc as designated provider 2009):

Tel: 503 943-6650 or toll-free 1-888-313-7322

How much Does Liability Insurance Cost?



It is impossible to provide an expected cost of general liability insurance because each conservation district is different and has different needs. CSCB has limited information on what districts pay for insurance, but in 2009 about 10 districts indicated a range of \$300 - \$1,600 per year for liability insurance with the median around \$600. However, CSCB cannot indicate how comprehensive the purchased insurance was for the cost. For those procuring non-owned and hired auto insurance the cost of the rider was typically around \$300 added to a general liability insurance policy.

SUPPLEMENTAL EMPLOYEE BENEFITS INSURANCE

This information was provided through the Department of Regulatory Agencies (DORA) – the state regulatory body for insurance.



Districts are not obliged to provide health coverage for their staff, but if they choose to they are bound by certain regulations.

Districts fall under the “small employer” regulatory category of less than 50 employees. As such, they can provide insurance through a carrier of small group plans. These plans are obliged to insure employees regardless of health status, but are not generally available for employees who work less than 24 hours per week or are seasonal. In this instance the employees must find their own individual health benefit program. **Districts can only pay premiums of group plans for insurance, they cannot make payments for individual health plans. It is not legal for employers to pay for, or provide employee payments towards, individual health benefit plans.**

If the District chooses to provide health insurance to its full time employees, **Colorado statute dictates that the employer must contribute at least 50% to the premium of a Standard or Basic group health care plan for the employee (not their dependents).** The structure of these plans is covered by certain regulations. Insurance carriers may offer other group plans and the conditions of contributions to these are set by the carrier.

A contact list of group carriers is available on the DORA web site under “Small Employer Carriers”. *(This web site also provides a list of individual health plan carriers under “Companies Writing Individual Health Plans” - although these are not group plans and so the District itself cannot utilize or make payments to them).*

Life insurance and disability insurance are other insurance benefits districts may discuss with their carriers

[CLICK HERE](#) for link to DORA Health Insurance page
[CLICK HERE](#) for link to DORA Life Insurance page

The customer service contact information for the DORA Division of Insurance is:

Tel: 303 894 7499
Tel: 800 930 3745 (toll free)
E-mail: insurance@dora.state.co.us

What If the District can't afford employee health benefits and wants to mitigate the lack of benefits to attract/retain employees?

Districts may add a flat payment to salaries of employees to financially boost income to offset the lack of benefits. However, this must be treated the same as salary in terms of taxation and the employer cannot insist the employee purchases health insurance with the added payment. In order to avoid potential discrimination suits, the added payments should be made available to all employees in the same way that health benefits would be. In order not to violate insurance regulations against paying for personal health insurance it should also be granted without regard to whether the employee purchases health insurance or not. The additional payment is in effect simply an increased salary, but it is a way for districts to demonstrate good faith in trying to compensate their staff competitively when benefits are not an option.