

Status of Medical Insurance Provided to Student Athletes at NCAA Schools

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Risk management programs have been initiated to systematically evaluate athletic programs in order to reduce injuries. The impetus for this action was the direct result of increased litigation and the escalation of insurance rates. The concern, thus, for the athletic director not only is initiating a system to reduce injuries but also providing medical care in case of injury, the payment for this care, and the long term costs associated with serious injuries.

Unlike homeowners or automobile insurance, the variability within the athletic environment makes medical insurance plans individual in nature. The type of institution (public/private), the number and type of sports offered, state statutes, and budgets all impact the decision-making process. The decision to provide medical coverage is not a simple task. Taking into account the many variables which differentiate athletic programs, the athletic director must make decisions regarding: 1) Who is covered?, 2) What type of plan (primary/secondary) should be selected?, 3) What should be the limits, length of claim provisions and the appropriate deductible?, and 4) What type of programs should be included in the policy or policies?

As awareness of providing medical insurance increased so did the inability to purchase quality coverage at acceptable rates. The answer came with the establishment of insurance pools. National organizations such as the National Collegiate Athletic Association (NCAA), the National Association of Intercollegiate Athletics (NAIA), and the National Junior College Athletic Association (NJCAA) established sponsored programs for their members. The membership was given various options and programs which could be individualized according to needs. Although provided, institutions are not required to purchase insurance through these sponsored programs.

BASIC MEDICAL INSURANCE: In the athletic arena, such insurance covers bodily injury sustained while participating in activities sponsored by the athletic department. Coverage is limited to injuries sustained in scheduled games, supervised practice and team travel. This is where commonality halts and individualization begins. The determination must be made regarding the individuals covered under this plan. It is anticipated that individuals on the official roster would be included, but provisions could be made for those individuals providing services to the program, for example, the cheerleaders, student managers and student trainers.

Determining the individuals to be covered is only the first step in the decision-making process. The specific plan, limits, length of coverage, deductible and other options must be finalized. There are basically two plans. The athletic department policy may be either the primary or secondary coverage. If the athletic department policy is the primary coverage the insurance pays the claim, after the deductible, regardless of other insurance plans. The athletic department would then include in their budget the anticipated deductible costs in addition to the insurance premium. If the athletic department policy is determined as secondary the policy pays claims not payable by other insurance plans. The parent policy or other plans are usually identified as the primary coverage. The athletic department policy thus covers claims beyond the primary coverage.

The limits of coverage may range from \$25,000 to \$1,000,000 per incident. The length of time claims can be processed from a covered accident usually ranges from two to six years, and the deductible has been noted to range from zero to \$5,000. Other options are available, which only add to the non-standardization of insurance coverage. Some universities have contracted with medical clinics to provide medical care. Using this option enables a specific amount to be included in the budget and could be used for the policy deductible. In addition to this option, other athletic programs separate policies by gender, or sport and thus different limits and deductibles are identified.

The basic insurance program covers, within written limits and deductibles, those sudden and accidental injuries which occur during practice, play and travel. Although an accidental death and dismemberment policy may be included in a basic plan, it is usually expanded coverage which includes loss of function or loss of body part.

EXPANDED COVERAGE: Typically expanded insurance programs provide coverage for conditions not covered in the basic policy. These may include a death benefit, coverage of losses such as sight or hearing, but may also address such conditions as reinjury, tendinitis, and stress fractures.

CATASTROPHIC INSURANCE COVERAGE: Catastrophic coverage is a part of today's vocabulary. Such coverage can be designed to guard against large litigation awards or be regarded as just another form of medical coverage in the event of an extremely serious injury. Although medical coverage for catastrophic injuries will not eliminate lawsuits, the probability of such action may be deterred since experts indicate that negligence lawsuits are a result of economic need. (Lederman, 1988). If medical costs, rehabilitation, and future earnings are paid through insurance coverage, the odds are against litigation.

A catastrophic injury is a state of permanent or total disability which restricts an individual from engaging in activities usually associated with persons of the same age group. Coverage usually includes accidental death benefits, home health care benefits, rehabilitation expenses, loss of earning benefits, home remodeling benefits, and payment for psychiatric and/or psychological counseling. Benefits from catastrophic insurance policies usually begin when expenses exceed the deductible or the total benefits received from other insurance or other sources. Benefits usually end when the dollar limit is reached or the specified time period expires.

CURRENT TRENDS: There is extensive data reported regarding the rise in litigation and the escalation of insurance rates, but little or no research has been

conducted regarding the extent of insurance coverage provided for student athletes. What has been reported is that in 1988-1989, 218 NCAA member institutions participated in the sponsored basic injury program. Additionally, 473 NCAA members and another 186 colleges and universities participated in the NCAA catastrophic insurance program and National Association of Collegiate Directors of Athletics SuperCat program respectively (NCAA News, 1989).

Premiums for basic and expanded medical insurance are in direct relationship with type and number of sports, number of participants, desired coverage, the designated deductible and the primary or secondary option. On the other hand, premiums for catastrophic insurance is determined by sports offered and escalate with the sponsorship of football and/or other identified high risk sports. Additionally, divisional status affects the premium in the NCAA sponsored program. The premium for Division I schools reflects the NCAA's 100% contribution for men's and women's basketball, and 50% for all other sports.

The tragic injury to Mark Buoniconti is an example of a student athlete who suffered a serious injury without having the benefit of catastrophic insurance coverage. At issue may be the extent and type of medical insurance which should be allocated to intercollegiate athletes. Although there are no standards or regulations regarding mandatory coverage or limits, a lawsuit recently filed may have far reaching effects. As reported by Lederman (1988), Todd Hart, an injured athlete, has filed suit against California State University, Long Beach, claiming that the \$15,000 insurance coverage was inadequate. An injured athlete usually files a negligence claim against the coach and university or against the equipment manufacturer. This pending case may add to the legal issues confronting the athletic administrator. What insurance programs, limits, deductibles and claim provisions are the acceptable standard?

■ PURPOSE

The purpose of this investigation was to determine the extent and type of medical insurance coverage afforded student athletes at NCAA institutions during 1989-1990.

■ METHOD

A questionnaire was developed to determine the extent and type of medical insurance coverage afforded student athletes. Selected athletic personnel were sent a copy of a pilot questionnaire. They were requested to make suggestions. A revised questionnaire was developed taking into consideration the submitted comments. The questionnaire allowed for all responses to be made with a check mark. Comment sections were included. The questionnaire included demographic information with regard to type of institution (public/private), undergraduate enrollment, NCAA division, Division IA or IAA football if applicable, and sports offered. Respondents were asked to respond to a series of questions relative to the availability of insurance in the areas of basic coverage (type, limits, deductibles, and individuals covered), expanded coverage, and catastrophic coverage.

Additional questions dealt with contractual medical services, the agency providing insurance, and parents being informed of insurance coverage. A cover letter and questionnaire were sent to each athletic director as determined from the

mailing labels supplied by the NCAA (N=793). The athletic director was asked to complete the questionnaire and return it in a self-addressed envelope by a specified date.

■ ANALYSIS OF DATA

Frequency counts were conducted and percentages were calculated for specified dependent variables. Data were analyzed using all institutions, divisional declaration, and if applicable, football division declaration as the independent variables.

■ RESULTS

Questionnaires were sent to the athletic directors at 793 NCAA member institutions. Usable questionnaires were returned from 421 schools for a return rate of 53%. Since the data were to be analyzed in relation to divisional status, the following percentage of return by division were found: Division I- 60% (176 of 293), Division II- 48% (94 of 194), and Division III- 48% (151 of 315).

The NCAA membership is represented by approximately 36% Division I members, 24% Division II members, and 39% Division III members. The results from this investigation reflect similar representation by division. As shown in Table 1 the results indicate representation by division as follows: Division I- 42%, Division II- 22%, and Division III- 36%. Other demographic information related to the institution and divisional status is reflected in Table 1.

The investigator was interested in determining the knowledge of athletic administrators or their representatives regarding state liability statutes which apply to their specific program. The results indicate that the majority of those individuals who completed the questionnaire did not know the specific statutes which apply to their program (Table 1).

Table 1

A. Division I	176	(42%)		
Division II	94	(22%)		
Division III	151	(36%)		
B. Football, Division I				
IA	71	(58%)		
IAA	51	(42%)		
C. Type of Institution				
Public (Coed)	219	(52%)		
Private (Coed)	187	(45%)		
Remaining institutions were classified as public or private gender designated.				
D. Total Undergraduate Enrollment				
500 - 1,000	34	(8%)	5,001 - 10,000	76 (18%)
1,001 - 2,500	95	(23%)	10,001 - 20,000	81 (19%)
2,501 - 5,000	85	(20%)	over 20,000	49 (11%)

(Table 1 cont' d)

E. State Liability Statutes					
Sovereign Immunity	43	(12%)			
Comparative Negligence	17	(5%)			
Contributory Negligence	36	(10%)			
Unknown	269	(74%)			
F. Athletic Department provides some type of medical insurance					
Yes	392	(93%)	Parents Informed	Yes	(88%)
No	31	(7%)		Yes	(85%)

A high percentage (93%) of institutions provide some form of medical insurance for their student athletes. Only 7% of the institutions reported that medical insurance is not provided by the athletic department. Although it might be assumed that participants in intercollegiate athletics are of majority age and there may not be a duty to inform parents, parents are required to sign numerous forms provided by athletic departments. The results indicate that 15% of the institutions not providing medical insurance do not inform parents of this decision.

When medical insurance is provided, a high percentage of institutions provide some form of basic medical insurance coverage. Of the 391 institutions providing some form of medical insurance, 367 or 94% provide a basic accident insurance plan. There is less of a tendency for Division III schools to provide such coverage when compared to the other divisions. Only 89% or 111 of the 125 Division III institutions provide medical insurance coverage in the form of accident insurance. This trend is also evident when athletic departments offer football.

What is quite evident is the fact that most institutions rely on other insurance policies to provide primary coverage in the event of an accident. As demonstrated in Table 2, only 9% of the institutions do not rely on other carriers to provide primary coverage for an injured athlete. Although Division I is less likely to use this method, there is not a consequential difference between divisions.

Respondents were given the opportunity to specify the type of policy written to cover accidental injuries. Various options were presented. Although school insurance, that insurance available to the entire student body, may exclude athletes, it seems as if some institutions are able to use such insurance as the primary coverage. This may be made possible by either participation in intercollegiate athletics being included in the policy or having a rider specifically addressing the collegiate athlete.

Some institutions addressed the issue by using the athletic department primary policy to cover a minimum amount, e.g. \$250, after which the policy became secondary in excess of a parent's coverage. Other options included primary coverage for only men's and women's basketball, separate policies written for each athlete when not covered by a parent's policy, the athletic department paying the deductible on the primary (parent's) policy, and the athletic department requiring proof of primary coverage by either school or parent's insurance.

The results, therefore, did support the premise that athletic departments' responsibility for accident insurance is in the form of secondary coverage and that

either parent's or school insurance is the primary source of coverage. What seems clearer is the period of time a claim can be processed. Approximately 90% of the policies written for athletic departments require claims to be processed within three years (Table 2).

Table 2

A. Basic Medical Plan is Provided (Accident) (Number of respondents)

Total						
All Institutions	94%	(391)	If Football	IA	99%	(71)
Division I	96%	(174)		IAA	92%	(50)
II	98%	(90)		II	100%	(54)
III	89%	(125)		III	87%	(82)

B. If provided Athletic Plan is secondary/primary/other

				<u>Total N</u>
All Institutions	85%	9%	6%	373
Division I	81%	13%	6%	169
II	90%	7%	3%	87
III	88%	3%	9%	115

C. Length of Coverage (Length claim can be processed)

	<u>All</u>	<u>Division</u>		
	<u>Institutions</u>	<u>I</u>	<u>II</u>	<u>III</u>
two years or less	76%	70%	83%	82%
three years	14%	18%	10%	12%
four years	3%	3%	1%	4%
five years	2%	4%	1%	1%
six years	1%	3%	0	0
more than six years	3%	3%	5%	2%
Total N=	344	155	83	104

D.

	<u>All</u>	<u>Division</u>			<u>If Football</u>			
	<u>Institutions</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IA</u>	<u>IAA</u>	<u>II</u>	<u>III</u>
No Deductible	29%	25%	25%	39%	10%	25%	13%	44%
\$250	23%	17%	36%	23%	9%	19%	28%	20%
\$500	10%	6%	9%	17%	7%	2%	15%	18%
\$1,000	14%	17%	11%	12%	13%	25%	17%	7%
\$2,000	5%	9%	3%	2%	15%	8%	6%	3%
More than \$2,000	8%	14%	1%	4%	32%	4%	0%	4%
Other (mixed)	10%	12%	14%	4%	13%	17%	22%	4%
Total N=	368	168	88	110	68	48	54	71

(Table 2 cont'd on next page)

(Table 2 cont'd)

E. Individuals Covered			Student	Student
	<u>All Athletes</u>	<u>Cheerleaders</u>	<u>Managers</u>	<u>Trainers</u>
All Institutions	99+%*	69%	61%	59%
Division I	100%	86%	76%	76%
Division II	99%	73%	61%	59%
Division III	100%	56%	50%	46%

(*2% indicated coverage for only athlete in specific sports and .2% indicated coverage for only male students)

F. Limits

	All			Division				If Football				
	<u>Institutions</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IA</u>	<u>IAA</u>	<u>II</u>	<u>III</u>	<u>IA</u>	<u>IAA</u>	<u>II</u>	<u>III</u>
\$25,000 or less	45%	42%	46%	49%	37%	43%	39%	44%	37%	43%	39%	44%
\$26,000 - \$50,000	6%	5%	10%	6%	2%	11%	10%	7%	2%	11%	10%	7%
\$51,000 - \$100,000	20%	23%	14%	19%	21%	25%	19%	17%	21%	25%	19%	17%
\$101,000 - \$500,000	6%	5%	7%	8%	5%	2%	12%	13%	5%	2%	12%	13%
\$501,000 - \$999,000	1%	2%	2%	0%	0%	2%	4%	0%	0%	2%	4%	0%
\$1,000,000 or more	21%	24%	20%	17%	36%	16%	17%	19%	36%	16%	17%	19%
Total N=	350	155	84	109	67	44	52	70	67	44	52	70

The results indicated great variation in the policies' deductibles. The majority of policies indicate a deductible of \$500 or less, yet 27% of the institutions indicated deductibles greater than \$1,000. This trend was supported in some respects when reviewing the data relative to divisional declaration. Division I schools reported having policies written with higher deductibles than Division II or III institutions (Table 2). This may be influenced by the type of policy written. As reported, Division I schools provide more primary coverage than found in Division II or III institutions. Providing secondary coverage may then influence the use of lower deductibles.

As indicated in Table 2 institutions did reflect deductible patterns other than a standard amount. The respondents were given the opportunity to identify any variation in deductibles based upon sport or gender. From the written comments it was demonstrated that some institutions do base deductible amounts on sport or gender. For example, in many cases the sport of football was singled out as having a higher deductible amount. Other schools differentiated the amount of the deductible by contact vs non-contact sports. Some sports such as baseball, softball, basketball, and track were identified as having higher deductible amounts than tennis. Gender was also used to distinguish differences in deductible amounts. In most cases a lower deductible was identified for women's sports.

As in the case of type of basic plan and deductible, the maximum benefits per injury varied extensively. The policy limits ranged from less than \$25,000 to \$1,000,000 or more. The data indicated that neither divisional status nor football influenced the variation in maximum benefits. What may dictate the available maximum benefit is the specific insurance carrier. The results indicated that 45% of all institutions have a benefit limit of \$25,000 or less. The underlying influence may

be the benefit limits, \$25,000, established in the NCAA sponsored program and the fact that 34% of the responding institutions were provided coverage under that plan.

Other pertinent comments relative to limits and coverage included relatively new concepts. At least one institution indicated the use of more than one policy. Each policy had specific upper limits. For example coverage on the first policy covered claims up to \$2,500, and another policy covered claims from \$2,500 to \$25,000. Another concept reported was the use of layered claim coverage and deductibles. For instance, claims up to \$250 had no deductible provisions, claims over that amount had a \$250 deductible.

Also of interest was the reporting that minimum coverage or limits was determined by state law. Since individual schools were not recorded by region or state, the specific states having such statutes could not be identified.

The results indicated that athletes are covered when basic medical insurance and expanded coverage is provided. This conclusion can not necessarily be reached when identifying the service or non-participant involved with the athletic program. Tables 2 and 4 identify those persons covered by basic medical insurance and expanded coverage respectively. Neither the cheerleaders, student managers, or student trainers are covered to the extent of the athlete. With respect to these groups, Division I institutions tend to provide more coverage when compared to Division II and III institutions.

With the increase in sports medicine clinics and rehabilitation services, it might be predicted that athletic programs would use these organizations on a contractual basis. As reflected in Table 3, the data do not demonstrate the use of contractual agreements to provide medical services. Only 19% of institutions contract for these services. Neither divisional status nor the sponsorship of football seemed to influence the decision on the use of clinics.

Table 3

Athletic Department has a contractual agreement with clinics or organizations to provide medical services.

All Institutions	19%	If Football	IA	17%
Division I	22%		IAA	27%
II	15%		II	17%
III	18%		III	18%

Table 4

A. Athletic Department provides Accidental Death/Dismemberment Coverage

All Institutions	83%	If Football	IA	92%
Division I	88%		IAA	83%
II	86%		II	82%
III	75%		III	76%

B. If provided, Individuals covered

	All		Student	Student
	<u>Athletes</u>	<u>Cheerleaders</u>	<u>Trainers</u>	<u>Managers</u>
All Institutions	100%	78%	72%	71%

Expanded coverage and catastrophic insurance are two other medical insurance plans available to athletic departments. As noted, expanded coverage usually includes accidental death and dismemberment provisions. The results indicate that 83% of the reporting institutions provide this type of coverage (Table 4). Also illustrated is that athletes at Division I institutions and those participating in Division IA football programs are more likely to be covered by expanded insurance coverage.

With the advent of catastrophic insurance and insurance pools, coverage for catastrophic injuries should be reflected as the culminating insurance provision provided by athletic departments. The data reflect that this type of coverage is being provided by over 75% of the institutions sponsoring intercollegiate athletic programs. As might be predicted, Division I institutions and participants in football programs are more likely to be covered by a catastrophic insurance policy (Table 5). Ninety-five percent of the reporting Division I institutions and 96% of Division IA football programs indicated that athletes were insured with some form of catastrophic coverage. This relatively high percentage may be a result of the NCAA's subsidizing the premiums for Division I institutions selecting their sponsored program.

Table 5

Athletic Department provides catastrophic insurance				
	All Institutions		If Football	
	87%		IA	96%
Division I	95%		IAA	96%
Division II	83%		II	84%
III	80%		III	86%

Although the NCAA is only one organization which has provided insurance pools, it is quite evident that the majority of NCAA members have selected the catastrophic coverage outlined in their sponsored program (Table 6). What is also demonstrated is that, although provided, NCAA institutions tend to select insurance carriers not sponsored by the NCAA to provide their basic and expanded coverage (Table 6). This tendency may be supported by the variation in basic insurance policies reflected in data presented in this investigation. Basic medical insurance may be more of a function of institutional difference, program offerings, and budget. A basic insurance program, therefore, which meets these needs may be selected over a more standardized option.

Table 6

	Agency Providing Coverage (If provided)		NCAA Sponsored Program		
	NCAA Sponsored Program		Division		
	<u>All Institutions</u>		<u>I</u>	<u>II</u>	<u>III</u>
Basic	34%		40%	34%	25%
Extended	39%		45%	33%	35%
Catastrophic	69%		73%	65%	66%

(Because of rounding off, percentages may not equal 100%.)

■ DISCUSSION AND RECOMMENDATIONS

The findings from this investigation begin to clarify the extent, diversity, and source of medical insurance afforded intercollegiate student athletes. The tendency is for the athletic department to rely on student health insurance or a parent's insurance coverage as the primary source of payment for injuries incurred during athletic participation. In these cases, the athletic department policy pays claims not payable by the other insurance. This trend reinforces the need to inform parents of the specifications of the athletic department medical insurance policy. Additionally, when the athletic department provides primary coverage, parents need to be informed of the limitations of the coverage to only supervised practice, game or contest participation and travel, and that such a policy excludes coverage outside these parameters. This investigation showed that a high percentage of institutions follow these procedures and parents were informed of the medical insurance coverage.

The variations found in basic athletic injury insurance coverage between institutions seemed to support the establishment of specific guidelines or standards. National organizations, insurance carriers, risk managers and athletic directors need to make an effort to determine minimum coverage and insurance plans that reflect a standard of care required for athletic programs. Further research needs to be conducted which delineates commonalities among athletic programs, injury rates, and cost factors in order to establish guidelines or standards.

Athletic directors also need to review options which include variations within coverage and deductibles, individuals covered, and the use of contractual services. Innovative planning may provide increased coverage at the same or reduced cost. The use of more than one policy or layered deductibles, and different deductibles based upon sport or gender were some of the non-standard policy provisions presented in this investigation.

Contractual agreements with clinics or other medical service groups did not seem to be widely used by respondents of this investigation. The future may see a reversal of this trend, particularly in programs which provide primary medical insurance coverage. The fixed budget line item in lieu of unknown deductible payments may be the factor which influences the increased use of contractual agreements. Athletic directors need to investigate the availability of these resources and cost factors as part of the decision-making process.

Catastrophic insurance coverage was found to be provided by over three-quarters of the NCAA members surveyed, but that does not negate the fact that the Division I athlete is more likely to be covered by catastrophic insurance than the Division II or III participant. The health and welfare of the athlete suffering a catastrophic injury should be the paramount issue. A concerted effort should be made to evaluate the current subsidizing program established by the NCAA.

This investigation was only a fragment of the needed research in the area of insurance coverage in the athletic setting. More research needs to be conducted to delineate some of the findings from this investigation and foster the decision-making process made by the athletic director. Other areas of insurance need to be investigated to not only protect the athlete, but also the administrator, coach and staff.

This investigation surveyed only NCAA members. Further research should be conducted to determine the extent, diversity and source of medical and other insurance programs at NAIA member institutions, NJCAA member institutions, and at the high school level.

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