

## **The Place of Insurance Companies in School Plants in Nigeria**

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### **Abstract**

School plants are indispensable for effective realization of school goals and objectives. This is because the successful implementation of school curriculum is dependent on the school plants, which refer to the physical facilities available in the school system, that are provided in the school. The insurance of school plants serves as a means of safeguarding them in the event of risks. This paper therefore looked at the place of insurance company in school plants in Nigeria. The paper examined some concepts on the key terms, the components of school plants, the advantages of insuring school plants, the challenges faced by insurance company in the events of insuring school plants in Nigeria and proffered solutions. The paper concluded that in the event of damages and other hazards to school plants, insurance companies will be held responsible for the renewing, repair and reconstruction of school plants in the school. Finally, the paper suggested the following among others that government at the different levels i.e. Federal, State and Local should enforce the insurance of school plants for both government and private schools.

**Keywords:** Insurance, Insurance company, School, Plants and School Plants

### **Introduction**

Schools as an institution are established for the purpose of carrying out teaching and learning. In order to carry out meaningful teaching and learning activities in schools, school plants are a necessity. For the effective and efficient functioning of the educational programme in educational institutions of learning, one cannot neglect the place of school plants. It could therefore be said that effective teaching and learning is dependent on the provision of school plants. School plants are provided for staff and students in the schools to enhance the productivity in the teaching and learning process. The realization of the goals of education as stated in the National Policy on Education (2013) and that of schools cannot be achieved when there are faulty school plants (Odufowokan, 2011).

School plants consist of all the resources that are available in the environment of a school as a social system. The place of school plants planning in the development of effective educational programme of the school system could not be underestimated. The school plants, which refer to the physical facilities available in the school system, should be well planned to enhance better learning outcomes of the students. Suffice it to say that without school plants, the school cannot exist, and the effectiveness of the school system cannot be guaranteed.

The main aim of the teaching and learning processes in schools is to ensure a permanent change in the behavior of the learners. The desired changes can only take place when school plants are provided. School plants in most schools in Nigeria are in deplorable conditions owing to the fact that they are not put into proper use. School plants when damaged need to be repaired, renewed and reconstructed, hence, the need for school plant insurance. Since the beginning of human existence on earth, risks abound everywhere. Every sphere of human endeavor in life is characterized with countless risks.

As a formal organization, a school has a lot of risks it must confront. In a typical school, there are property risks which have to do with permanent and semi-permanent structures such as buildings, equipment, furniture, vehicles of various types, electrical fittings, books, water supply infrastructure and so on. Also, there are risks that are associated with human life in the school and such could be risks of death or disability of staff and students and so on. It should be noted that chances of occurrences of the events causing losses are quite uncertain because these may or may not take place. In other words, our life and property are not safe and there is always a risk of losing it. The role played by insurance companies in mitigating devastating occurrences and risks in schools cannot be undermined. But it is quite unfortunate that most educational institutions in Nigeria hardly understand the roles played by insurance companies and thereby do not attach much significance to it when it comes to insuring school plants.

It is based on this background information that this paper examined the place of insurance in school plants in schools in Nigeria. In specific terms, the paper examined (i) the conceptual clarification of school plant insurance; (ii) the duties of insurance companies in school plants; (iii) aspects of school plants that can be insured and (iv) the challenges faced by insurance companies in the event of insuring school plants in schools in Nigeria.

### **Conceptual Clarifications**

**School Plants.** School plants are seen everywhere in the school compound and they are needed for effective teaching and learning but their insurance is a different thing entirely. There is no single definition of the concept because different educational management scholars perceived the concepts differently. School plant is defined as the physical expression of the school programmes and activities (Mgbodile, 2004).

School plants could also be described as the site, the buildings, the equipment and all the essential structures, permanent and semi-permanent as well as such machines and laboratory equipment, the blackboard/chalkboard needed for effective teaching and learning. Yusuf (2008) defined school plant as space interpretation of the school curriculum. The absence of school plants is inimical to the successful implementation of school curriculum.

**Insurance.** Insurance is a protection against financial loss arising on the happening of an unexpected event. Insurance is risk transfer mechanism used primarily to hedge against an unforeseen contingency. Insurance is a social scheme which provides financial compensation for the effects of a misfortune. It is very important to know that its insurance companies will be held responsible for the renewing, repair and reconstruction of school plants in the events of damage.

Insurance of school plants is a necessity because it serves as a means of protecting the school plants in the events of unforeseen circumstances. School plants include elements such as classroom blocks, administrative blocks, library, laboratories, school clinic, kitchen, examination hall, dining hall, assembly hall, clinics, rest rooms, toilets, hostels, store, staff rooms, and workshops. Furthermore, educational equipments, computers, typewriter, photocopying machines, chairs, desks, tables, chalkboards, which are used in the classrooms, office furniture, residential furniture's, students' hostel furniture, school bus, air conditioners, fans, generating sets and other electrical fittings etc. all needs to be insured in the event of loss arising from fire and other natural disasters.

In the business of insurance, the insured will be covered by an insurance policy. Insurance policy is the agreement signed between an individual or institution and an insurance company over a foreseen risk that might happen, with the understanding that the individual or organization pays regular amounts of money to the insurance company in exchange for considerable compensation when that foreseen risk eventually occurs.

The school has to sign an agreement with the insurance company on the type of insurance cover it intends to undertake in the event of unforeseen occurrences to any of the school plants in the school and also agreed to be paying certain sum of money to the insurance company at regular intervals.

It is also very important to mention that the insured has to pay a certain sum to the insurance companies. The said sum is what is referred to as insurance premium. Insurance premium is an amount of money that you pay monthly, quarterly or annually to cover for your insurance policy and make it valid. Failure to pay premiums shows that you are no longer covered by any insurance policy, and you are not open to any compensation if any misfortunes befall you. In the process of insuring school plants, the school is saddled with the responsibilities of paying a certain sum of money to the insurance company at regular intervals for the school plants that is been insured against risks. Failure of the school to pay the certain sum may hinder them from been compensated in the event of unforeseen occurrences on the school plants that is been insured.

In the events of fire outbreak on the school plants, the school will be compensated by the insurance companies. The insurance claim is the amount of fair compensation that you seek from your insurance company when accidents or misfortunes occur. Whatever you expect to be paid in view of your misfortune is your insurance claim.

### **Components of School Plants that can be Insured**

School plants that can be insured by a school can be categorized into various sub-headings according to Yusuf (2008) and Ajayi (2007).

- i. School site: This refers to the school landscape comprising the schools permanent and semi-permanent structures are erected. The landscape of the school covers the trees, grasses, lawns, hedges and accompanying paths and so on.

- ii. Buildings: This is made of classroom blocks, administrative blocks, library, laboratories, school clinic, kitchen, examination hall, dining hall, assembly hall, clinics, rest rooms, toilets, hostels, store, staff rooms, and workshops and so on.
- iii. Equipments: this is categorized into two: (a) educational equipments needed during the teaching and learning process such as computers, chalkboard, chalk, chart flannel graph, beakers, burette, pipettes test tubes, thermometers, weighing balances, map, glass jars, globes, (b) office equipments which are needed in the administrative and staff offices such as cupboards, typewriter, photocopying machines, (c) Extra-curricular facilities for sports and they include football, table tennis, basketball, etc.
- iv. Furniture: this is a component of school plants that includes chairs, desks, tables, chalkboards, which are used in the classrooms, office furniture, residential furniture's and students' hostel furniture.
- v. Vehicles: this refers to the vehicular facilities in the school which are meant to ease the movement of the students and staff of a school. They include the school bus, water tanker etc.
- vi. Electrical Infrastructure: Air conditioners, fans, generating sets and other electrical fittings etc.
- vii. Water supply infrastructure: This involves boreholes, wells, water tanks, water taps which are provided by the school for the continence of the lives of the people in the school.

### **Insurance of School Plant**

According to Oyedeji (2004), insurance refers to the provision of cover for loss as a result of fire, burglary, accident, which may or may not occur. In his words, to insure is to protect oneself or something against loss, damage or accident. It is an agreement by contract between the insured and the insurer to pay money especially in case of misfortune such as illness or accidents. According to Olatunji (1975), the aim of school plant insurance is to substitute known cost for unknown hazards. Hence, school plant insurance is a security measure taken to minimize possible loss or damage to school property caused by unforeseen environmental hazards such as rainstorm and earthquakes.

Despite the importance of insurance of properties to schools, Adeogun (1985), found that only one, out of thirty-five secondary schools insured its physical plants. In a similar vein, Oyedeji (1985) asserted that insured schools stand the chance to enjoy quick repairs whenever there is any damage to buildings by storm, fire, or any other disaster.

Hence, the advantages of insuring school physical plants include:

- i. Maintenance of school buildings and equipment for a long period. When school building are insured against risks by a school, the insurance company constantly meet with the school on regular basis to sensitize the staff and students on the cultivation of good maintenance culture and this will go a long way in making the school building and equipments to last long.
- ii. Getting immediate assistance and repairs to damaged school plants. In the events of damage on any components of the school plant, the insurance company give immediate assistance in the form of repairs to the school depending on the nature of the insurance cover that bind both parties.

- iii. Keeping the school plants in good condition always. Insurance companies are also saddled with the responsibility of keeping school plants in good conditions at all times
- iv. Providing future security for the properties. They provide cover for schools in case of any unforeseen occurrences such as fire, theft, burglary and natural disasters.

The following are the duties of an insurance company to schools.

1. It is the duty of insurance company to issue the schools with details of restrictions on the policy. It is expected that before the school append their signature on the insurance document, the policy should be presented in a clear language and easy to understand.
2. In case of changes in the policy, insurance company should notify the policy holder i.e. the school at appropriate time.
3. Policy is bound to expire and once this happens, it is the duty of insurance company to advise the school that their insurance policy has expired and whether to renew the policy or not.
4. When a school purchases an insurance policy, it is expected that the school pays a premium every month as part of the contractual understanding that he will receive a certain amount of money in the event of a specific loss. Consequently, it is the duty of the insurance company to make sure the beneficiary of the policy is paid.
5. An insurance company cannot use unfair or deceptive acts or practices to gain an edge over the competition or gain new business. Unfair practices include intentionally misinterpreting an insurance policy, participating in a bidding war, making false statement on policy application or impersonating a client in order to terminate, convent or keep an insurance policy.
6. Insurance companies should make full and prompt claim payments when the liability of a school is not in question.
7. When collecting premium payment, the insurance company must continue to provide the school with insurance coverage. The company must not keep extra money paid toward a premium. Instead, it must return the excess amount paid to the client in a timely manner.

### **Conclusion**

School plant insurance is an important component of school plant planning but there seems to be little or no awareness about it in most schools in Nigeria. There are lots of benefits that can be derived in the event of damages or unforeseen occurrences when school facilities like buildings, furniture, equipment and vehicles are insured with the insurance companies. Insurance is the equitable transfer of the risk of a loss, from one entity to another in exchange for money. It is a form of risk management primarily used to hedge against the risk of a contingent, uncertain loss.

### **Suggestions for Improvement**

1. Government at the different levels i.e. Federal, State and Local should enforce the insurance of school plants for both government and private schools.
2. Insurance companies should provide a moderate policy to schools so as to encourage school owners to insure their properties.
3. Insurance companies should handle claims accordingly in case of any form of hazards in schools so as to stimulate and encourage schools to insure their property.

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