

Christian Brothers Services

Tuition Refund Program FAQ for Schools

Student withdrawals, or the potential for them, are a problem for catholic schools across the country. At most educational institutions, a tuition contract obligates parents for a full or partial year of tuition costs, whether the student completes the school term or not. Tuition paid in advance cannot be refunded and unpaid tuition obligations cannot be cancelled, unless the institution is prepared to suffer a loss of planned revenues. This policy can create an awkward situation for the parent and the school because student withdrawals are often accompanied by family hardships such as job loss, death of tuition payer or student sickness. The Tuition Refund Program is designed to help the individual catholic schools *protect their revenues and eliminate the financial burden on families when a student is forced to withdraw or a covered loss occurs.*

Why should a school offer a Tuition Refund Program?

Every year there are a group of students who are forced to withdraw from school. These withdrawals may be the result of medical conditions, death of a tuition payer, death of a student, involuntary unemployment of a tuition payer, academic dismissal, disciplinary dismissal, job transfers and voluntary withdrawal. Coverage for these losses is provided under the Tuition Refund Program.

What types of enrollment options are available to the catholic schools?

Individual schools can choose to have compulsory, mandatory or voluntary coverage. Typically, the cost of a compulsory plan is significantly less expensive than a voluntary or mandatory plan.

- *Compulsory Plan Option:* This type of Tuition Refund Program covers all enrolled students and the premium is paid for by the school. This premium is often built into the school fees for each enrolled student.
- *Mandatory Plan Option:* This type of Tuition Refund Program is mandated for all students who pay the annual tuition through a tuition management contract or an installment plan. It is voluntary for those students who pay the full tuition before school begins.
- *Voluntary Plan Option:* This type of Tuition Refund Program allows for an individual school to sponsor the program, while coverage is purchased voluntarily by the parents of an enrolled student.

What is the policy term for a Tuition Refund Program?

Tuition Refund Policies are written on an annual basis. The policy term is from the start date of classes to the ending date of classes.

What does a Tuition Refund Program insure?

A Tuition Refund Program reimburses Covered Tuition at the selected coverage level when a withdrawal or dismissal results from a covered loss. Covered Tuition is the unused, insured tuition and fees.

Is a student's withdrawal required in order to file a claim?

This depends on which plan option is chosen by the individual school. Most covered losses require a withdrawal of the student to occur, however certain plan options allow a student to remain enrolled in school and be able to file a claim. Please refer to your plan brochure for details.

What event needs to occur in order for a claim to be triggered?

In order for a claim to be triggered under a Tuition Refund Program, a covered loss must take place which forces an enrolled student to withdraw. A withdrawal is required in most cases; please refer to your plan brochure.

Example: A covered student becomes sick and is forced to withdraw from his or her school. The covered loss is the sickness which forces a medical withdrawal, which in turn triggers the filing of a claim.

Who does the Insurance Company pay the claim to?

Whether a voluntary, mandatory or compulsory plan option is chosen, the policyholder is always the sponsoring school. Therefore, claims are paid directly to the school. This arrangement allows for a parent's financial obligation with the school to be met. Any remaining dollars will be refunded to the tuition payer by the school.