

Why does my PTA need insurance?

The number one question that most PTAs face today is “Why does my PTA need insurance?” That’s a great question and one that every PTA should ask itself as an organization. There are many misconceptions about insurance when it comes to PTAs. Did you know that you, as an individual member of the PTA or an officer of the PTA could be held personally liable for an accident that occurs at one of your events? Personal Liability means that your personal assets could be at risk if you were sued because of something that happened at one of your PTA events. Are you willing to put your checking account, your savings account, possibly your 401k or even your assets at risk for your PTA?

Insurance not only protects your PTA, but also protects you as an individual, especially when there is limited coverage through your homeowner’s insurance. This Risk Management Guide will walk you through the risks that you are exposed to as a PTA, ways to reduce that liability, and how insurance policies can protect your PTA and PTA members should something happen at one of your events.

General Liability Covers Everything: FALSE

“We have insurance.” That’s a statement that we hear as a Customer Service Team every day. The problem with making that statement, however, is that it is extremely broad. The truth is that most PTAs don’t know what coverage they have, nor do they know what risks those policies are protecting. When thinking about your personal insurance policies, you wouldn’t expect your Homeowners Insurance Policy to pay if you were in an automobile accident. Nor would you expect your Health Insurance Policy to pay if your home burned down. Each one of your personal insurance policies does something totally and distinctively different. The same thing is true concerning PTA Insurance policies. Officers Liability insurance doesn’t cover your PTA against embezzlement, nor does your General Liability policy cover if your PTA’s fundraising t-shirts are stolen. There are six different insurance policies offered to PTAs that have totally different objectives. Those policies are:

- General Liability
- Accident Medical
- Bonding (Commercial Crime)
- Property
- Officers Liability (Non-Profit Association Professional Liability)
- Identity Theft





Common Misconceptions:

- PTAs are immune from liability because of their non-profit status
- The school’s insurance covers the PTA for all of its events.
- Liability protects the PTA from all risks.



General Liability

Let's face it, everyone involved in a PTA is volunteering for the same reason...the kids. Even though you are placing your valuable time and numerous hours into making your PTA the best that it can be, there are still certain risks that you are exposed to as a volunteer. While attending your fall carnival, a child could fall down and get hurt. You may not see that as a risk that you should be concerned with, but what if the parents of that child don't have health insurance? The family will be looking for someone to help with those expenses. After all, it was at your event that their child was injured. In the event that this incident becomes a lawsuit against the PTA, as a volunteer named in a lawsuit, your personal assets could be at risk. The General Liability policy protects not only your PTA, but protects you as a member of the PTA as well.


Always think Liability in these terms: "It's YOUR fault that my child was injured at the PTA carnival."


Bodily Injury and Property Damage

Your General Liability policy has two parts:

1. Liability - \$1 or \$2 million per occurrence to cover as damages for bodily injury or damage of property of others.
2. Medical Payments - up to \$5,000 per person to cover medical expenses for minor injuries.

The *liability* portion will come into effect for any lawsuit in which the PTA is being sued for a bodily injury claim over \$5,000 or property damage of others claim. You have up to \$1 or \$2 million (depending on the policy you chose) per occurrence per policy period to compensate for any judgments made against you. The policy will also cover incurred legal expenses in addition to the \$1 or \$2 million policy limit.

The *medical payments* portion will come into effect for any minor medical injury that is sustained by a volunteer of your PTA, a board member, or a third party at one of your PTA sponsored events. This is by no means a health insurance policy. The medical payments clause of your liability policy will pay secondary to any personal health insurance that the injured party may have. This is to protect the PTA and its members as a shield against a lawsuit while helping the injured party to cover any out of pocket expenses that they may incur in seeking treatment.

PTA Sponsored Events

To extend your General Liability policy to your PTA, you must be hosting a PTA sponsored event. The requirements of a PTA sponsored events are:

1. The event must be voted on by the PTA
2. The event must be approved by the PTA
3. The event must be scheduled by the PTA
4. The event must be planned by the PTA
5. The majority of the manpower must be provided by PTA members

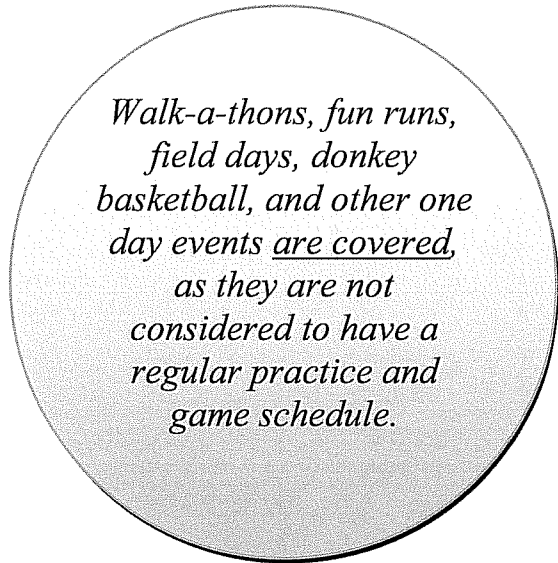
AIM Covered Events
(This List Is Not All Inclusive)

1. After School Programs
2. Alcohol
3. All Night Lock-Ins
4. Animal Rides
5. Apple Bobbing
6. Arts & Crafts Activities
7. Auctions
8. Babysitting at PTA Meetings
9. Bake or Food Sales
10. Balloon Artists
11. Band Concerts
12. Baseball Toss
13. Bazaars
14. Bean Bag Toss
15. Beautification Projects
16. Bike Rodeos
17. Book Fairs
18. Bounce Houses
19. Bowling
20. Broom Hockey
21. Cake Walks
22. Camping
23. Candy or Wrapping Paper Sales
24. Carnivals (except mechanical rides)
25. Childcare
26. Colored Sand Painting
27. Community Forums
28. Concession Stands
29. Confetti Eggs
30. Costume Parties
31. Cow Bingo
32. Crossing Guards
33. Dunking Booths
34. Easter Egg Hunt
35. Egg Toss
36. Enrichment Programs
37. Face Painting
38. Family Portraits
39. Fashion Shows
40. Fishing (from land)
41. Food Sales
42. Fortune Telling
43. Fun Runs
44. Gift Wrapping
45. Golf Tournaments
46. Grad Nights
47. Haunted Houses
48. Hayrides (except by vehicle)
49. Hobby Shows
50. Ice Cream Socials
51. Inflatable Slides
52. Jail Auction
53. Karaoke
54. Line Dancing
55. Litter Cleanup
56. Magic Shows
57. Math Fairs
58. Moon Walks
59. Open Houses
60. Parades (except vehicular incidents)
61. Parent Education Workshop
62. Pee Wee Golf
63. Performing Arts
64. Petting Zoos
65. Picnics
66. Pizza Night
67. Ring Toss
68. Rock Climbing Walls
69. Science Fairs
70. Skating Rink (Roller and Ice)
71. Ski School/Programs
72. Spelling Bees
73. Sumo Wrestling
74. Swim Parties
75. Talent Shows
76. Water Balloon Toss

Exclusions

There are certain exclusions that your General Liability policy has. The following is a list of specifically excluded items:

- Automobiles*
- Aircraft
- Asbestos Exposure
- Bungee Jumping*
- Fireworks*
- Hot Air Balloons*
- Lead Exposure
- Mechanical/Motorized Rides at Carnival*
- Nuclear Exposure
- Organized Athletic Events
(Having regular practice and game schedule)
- Pyrotechnic Displays or Devices*
- Rocketry*
- Vehicular Transportation of Any Type*
- Watercraft*
- Workers Compensation Claims



Note: While the asterisked events are excluded under the General Liability Policy, you can obtain medical payment coverage under the Accident Medical policy.

Participant's Waiver

We receive many calls from PTAs asking about "waivers" of liability. It is very important that you realize that **you can never sign your liability away** regardless of the document or waiver that we are talking about. A waiver will not hold up in court if your PTA is found at fault for an injury occurring at one of your events. However, a waiver is a tool used to help deter the lawsuit mindset. By having all participants sign a waiver, you are helping to plant the seed that the participant is responsible for their own actions. While a waiver isn't a requirement to extend coverage under the General Liability policy, it is a step in the right direction to help protect your PTA against bodily injury lawsuits. There are two different waivers that are offered within this Risk Management Guide. The first is a Parent's Approval and Student Waiver. This would be used anytime you need a person under the age of 18 to sign for a specific event. The other is a Participant's Waiver. This would primarily be used anytime you want someone over the age of 18 to sign for a specific event. You will find both of these waivers listed on the pages to follow. Both of these documents are also available on our website at www.aim-companies.com.