

# Insurance Guide

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## Why does my Organization need Insurance?

The number one question that most Parent Teacher groups face today is “Why does my Organization need insurance?” That’s a great question and one that every Parent Teacher group should ask itself. There are many misconceptions about insurance when it comes to Parent Teacher groups. Did you know that you, as an individual member or officer of your Organization, you 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 Organizations events. Are you willing to put your checking account, your savings account, possibly your 401k or other assets at risk for your Organization?

Insurance not only protects your Organization, 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 Parent Teacher group, ways to reduce that liability, and how insurance policies can protect your Parent Teacher group and its members, should something happen at one of your events.



### Common Misconceptions:

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



## 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’s extremely broad. The truth is that most Parent Teacher groups don’t know what coverage they have, nor do they know what risks those policies are protecting them from. 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 Parent Teacher group Insurance policies. Officers Liability insurance doesn’t cover your Organization against embezzlement, nor does your General Liability policy provide coverage if your Organization’s fundraising t-shirts are stolen.

There are four different insurance policies offered to Parent Teacher groups that have totally different objectives which we will cover in this guide.

### 1. General Liability

- Optional Extended Accident Medical Payments Endorsement
- Optional Media Liability Endorsement
- Optional Terrorism Coverage

### 2. Fidelity Bond (Commercial Crime)

### 3. Property

- Optional Terrorism Coverage

### 4. Officers Liability (Non-Profit Association Professional Liability)

## General Liability

Let's face it, everyone involved in a Parent Teacher group is volunteering for the same reason...the kids. Even though you are putting your valuable time and numerous hours into making your Organization 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 an incident leads to a lawsuit against your Organization, as a volunteer named in a lawsuit, your personal assets could be at risk. The General Liability policy protects not only your Organization, but protects you as a member as well.



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



## Bodily Injury and Property Damage

Bodily Injury & Property Damage are covered in 2 parts under your General Liability policy:

1. Liability - \$1 or \$2 million per occurrence and a \$2 million General Aggregate to cover damages for bodily injury or damage to property of others.
2. Medical Payments - up to \$5,000 per person to cover medical expenses (outside a lawsuit.)

The *Liability* portion will come into effect for lawsuits in which your Organization is being sued for bodily injury or property damage of others. You have up to \$1 or \$2 million (depending on the policy you choose) per occurrence per policy period to compensate for any judgments made against you.

The *Medical payments* portion will come into effect for minor medical injuries that are sustained by a volunteer of your Organization, a board member, or a third party at one of your Organization's 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. Medical Payments coverage helps protect your Organization and its members by deterring a lawsuit, while helping the injured party cover out of pocket expenses they may incur in seeking treatment.

## Sponsored Events

To extend your General Liability policy to your Organization, you must be hosting an event sponsored by your Parent Teacher group. The requirements of a sponsored event are:

1. The event must be approved by your Organization
2. The event must be scheduled by your Organization
3. The event must be planned by your Organization
4. The majority of the manpower must be provided by your Organization's members



## AIM's Playlist of Events

 **STOP:** This activity is potentially excluded from your policy. Contact AIM for more details

 **PLAY:** Covered event

 **PAUSE:** Use Caution. Even though this event is potentially covered under your policy, this is a high risk event and you need to take extra precaution when hosting

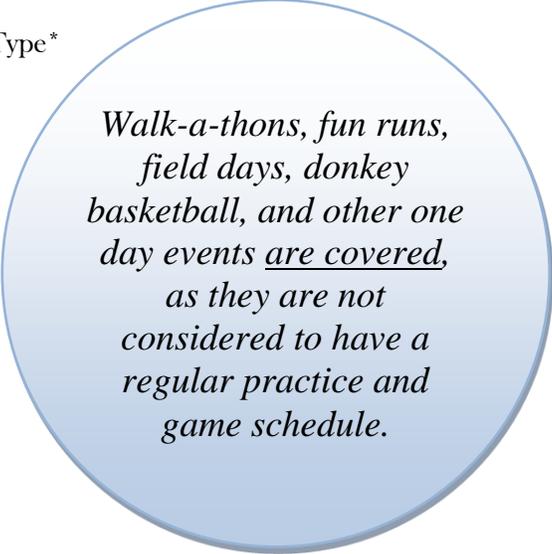
- |  |   |  |
|--|---|--|
|  After School Programs             |  Confetti Eggs               |  Mechanical/Motorized Rides         |
|  Archery                           |  Costume Parties             |  Moon Walks                         |
|  Aircraft                          |  Cow Bingo                   |  Open Houses                        |
|  All Night Lock-Ins                |  Crossing Guards             |  One Day Athletic Events            |
|  Animal Rides                      |  Drones                      |  Parent Education                   |
|  Apple Bobbing                     |  Dunk Tanks                  |  Pee Wee Golf                       |
|  Arts & Crafts Activities          |  Egg Toss                    |  Performing Arts                    |
|  Asbestos Exposure                |  Enrichment Programs        |  Petting Zoos                      |
|  Athletic Leagues, Clinic, Camps |  Face Painting             |  Picnics                          |
|  ATVS                            |  Family Portraits          |  Pizza Night                      |
|  Auctions                        |  Fashion Shows             |  Ring Toss                        |
|  Babysitting at Meetings         |  Fireworks                 |  Rock Climbing Walls              |
|  Bake or Food Sales              |  Fishing (from land)       |  Rocketry                         |
|  Balloon Artists                 |  Food Sales                |  Sale of Weapons                  |
|  Baseball Toss                   |  Fortune Telling           |  Science Fairs                    |
|  Beautification Projects         |  Fun Runs                  |  Skating Rink (Roller & Skating)  |
|  Bike Rodeos                     |  Gift Wrapping             |  Spelling Bees                    |
|  Book Fairs                      |  Golf Tournaments          |  Sumo Wrestling                   |
|  Bounce Houses                   |  Grad Nights               |  Swim Parties                     |
|  Bowling                         |  Haunted Houses            |  Talent Shows                     |
|  Broom Hockey                    |  Hobby Shows               |  Transportation                   |
|  Bungee Jumping                  |  Hot Air Balloons          |  Trailers (Detached or Non-Owned) |
|  Cake Walks                      |  Ice Cream Socials         |  Workers Compensation             |
|  Candy/Wrapping Paper Sales      |  Inflatable Slides         |  Workshops                        |
|  Carnivals                       |  Jail Auction Line Dancing |  Zip lining                       |
|  Colored Sand Painting           |  Litter Cleanup            |  |
|  Concession Stands               |  Magic Shows               |  |

Note: If you do not see an event you are having on this list, please call AIM to verify coverage.

## Exclusions

The following is a list of specifically excluded items under General Liability:

- Archery
- Automobiles & Vehicular Transportation of Any Type\*
- Asbestos Exposure
- Bungee Equipment or bungee Jumping
- Athletic Activities- organized sports including (but not limited to) sport clubs, sports camps, municipality teams, school teams (public or private), sports leagues, college teams or professional teams
- Hot Air Balloons
- Lead Exposure
- Mechanical/Motorized Rides at Carnival\*
- Nuclear Exposure
- Parasailing
- Rocketry
- Scuba Diving
- Scouting
- Watercraft\*
- Weapons, including but not limited to guns, knives,
- Swords, bows, axes and sling shots/catapults
- Workers Compensation Claims
- Zip Lining



*Walk-a-thons, fun runs, field days, donkey basketball, and other one day events are covered, as they are not considered to have a regular practice and game schedule.*

*\*Note: While the asterisked events are excluded in the event of a lawsuit, Medical Payments coverage may be available.*

## Liability Waivers

We receive many calls from Parent Teacher Groups asking about “waivers” of liability. It is very important to be aware that **you can never sign your liability away** regardless of the any document or waiver. A waiver will not hold up in court if your Organization 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 Organization against bodily injury lawsuits. There are two different waivers included 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](http://www.aim-companies.com).

**PARENT'S APPROVAL AND STUDENT WAIVER**

\_\_\_\_\_ has my (our) permission to participate in  
Name of minor

\_\_\_\_\_ on \_\_\_\_\_  
Event or Activity Date

At \_\_\_\_\_  
Location

I (we), as parent(s) or guardian(s) of the minor, do hereby, for my (our) \_\_\_\_\_  
Son/Daughter

Myself, my (our) heirs, executors and administrators, remise, release and forever discharge

\_\_\_\_\_  
Parent Group

And the \_\_\_\_\_, and all \_\_\_\_\_ officers, employees and  
(State Parent Group - if any) (Parent Group)  
agents of each of the foregoing, acting officially otherwise, from any and all claims, demands, actions or causes of

action on account of referred. I hereby certify the minor is my (our) \_\_\_\_\_ and that his/her date  
Son/Daughter  
of birth is \_\_\_\_\_  
Date

And I (we) do hereby certify that to the best of my (our) knowledge and belief said minor is in good health. In case of illness or accident, permission is granted for emergency treatment to be administered. It is further understood that the undersigned will assume full responsibility for any such action, including payment of costs. I (we) hereby advise that the above named minor has had the following allergies, medicine reactions or unusual physical condition which should be made known to a treating physician. (If none, please write the word "none".)

\_\_\_\_\_  
\_\_\_\_\_

1. \_\_\_\_\_  
Signature Print Name

\_\_\_\_\_  
Address City Phone

2. \_\_\_\_\_  
Signature Print Name

\_\_\_\_\_  
Address City Phone

3. Alternate Adult Contact:

\_\_\_\_\_  
Signature Print Name

\_\_\_\_\_  
Address City Phone

**PARTICIPANT'S WAIVER**

In the consideration of the acceptance of my entry in the

\_\_\_\_\_ on \_\_\_\_\_  
(Event Title) (Date)

sponsored by \_\_\_\_\_ I, the undersigned  
(Parent Group)  
participant, intending to be legally bound, do hereby for myself and heirs, executors,

administrators and assigns, forever waive, release and discharge any and all right, claims and  
actions for damages that I may have, or that may hereafter accrue to me against the \_\_\_\_\_

\_\_\_\_\_, including all unit, council and district organizations and all of their  
(State Organization if any)  
officers, directors, members and volunteers.

I attest and verify that I am physically fit and able to participate in this event and acknowledge that I am aware of the inherent risks in participating in an athletic event of this type.

\_\_\_\_\_  
Signature Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address City Phone

## **Additional Insureds**

If you are having an event, the event site may ask you to list them as an Additional Insured on your General Liability policy. We do not charge for these additions and will be happy to do this at your request. As a precaution, you must know that adding someone as an Additional Insured means you share your limits with someone else under your policy. For example, let's say you have a fun run at the city park and the park requires you to add them on as an Additional Insured. If the park gets sued because of something that happens at your event, your policy would provide defense for both your Organization and the park, and you would **SHARE** total limits under your **GL** policy.

In order to process this request, we ask that you provide us with the form on the following pages. It is required that you provide the following information within the form:

1. The date and location of the event
2. The start and end time of the event
3. The name and address of the Additional Insured.
4. Any specific wording required by the entity wishing to be added as an additional insured onto your policy.

You can fill out this form and fax it to us at 214-360-0802 or you can fill out this form online as well at [www.aim-companies.com](http://www.aim-companies.com).

# General Liability Additional Insured Request Form

## Organization Information:

Organization Name: \_\_\_\_\_

Insured Number: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Address: \_\_\_\_\_

City, State & Zip: \_\_\_\_\_

Requesting Board Members Name: \_\_\_\_\_

Contact Email: \_\_\_\_\_

## Additional Insured Information:

Name of Additional Insured: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State & Zip: \_\_\_\_\_

Where to send Certificate (Email/Fax): \_\_\_\_\_  Same as above

Name/Description of Event: \_\_\_\_\_

Dates/Times of Event: \_\_\_\_\_

Additional Insured Wording (if applicable): \_\_\_\_\_

\_\_\_\_\_

## Acknowledgements:

Please note, adding an Additional Insured means you agree to share the total limits of the policy.

Board Member Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Typed or Electronic Signatures are not accepted.

Please send to [aim@aim-companies.com](mailto:aim@aim-companies.com). Please allow 24 hours for processing.



**Association Insurance Management**  
**P O Box 742946**  
**Dallas, TX 75374-2946**  
**Phone: 1-800-876-4044**  
**Fax: 214-360-0802**

Ed 9.2016

# General Liability Additional Insured Request Form

## Primary & Non Contributory

<b>Organization Information:</b>
Organization Name: _____
Insured Number: _____ Phone Number: _____
Address: _____
City, State & Zip: _____
Requesting Board Members Name: _____
Contact Email: _____
<b>Additional Insured Information:</b>
Name of Additional Insured: _____
Mailing Address: _____
City, State & Zip: _____
Where to send Certificate (Email): _____ <input type="checkbox"/> Same as above
Name/Description of Event: _____
Dates/Times of Event: _____
Additional Insured Wording (if applicable): _____
_____

You have requested that an Additional Insured be added to your policy on a primary, noncontributory basis. We want to make sure you are fully aware of how adding this language can change your insurance currently purchased for your group. Noncontributory as included in "primary and noncontributory" is generally understood to mean that contribution will not take place—there will be no contribution. In other words, noncontributory means I have agreed to provide you liability insurance so that your liability insurance would never respond, regardless of the size of the claim. Primary and noncontributory is actually about the priority of insurance coverage—which policy will respond as primary insurance and which policy will respond as excess insurance. In other words, whose policy will be first and whose will be second. When two insurers concurrently provide coverage for the same insured for the same incident or claim, and one insurer pays more than its share of damages on behalf of the insured, the insurer paying more than its share has a right to contribution against the other insurer(s) to recover the amount it paid that exceeds its proportionate share. By adding this primary and noncontributory language, it establishes the order or priority of coverage and no longer is concerned with allocating percentages of fault. Noncontributory generally means that an insured/insurer has agreed not to seek its independent right to contribution when two or more insurers apply to the same accident for the same insured. We want you to fully understand that when you assign the policy on a primary, noncontributory basis to an additional insured, this could reduce any policy limits purchased and available to your organization and limit your ability to collect for damages from the Additional Insured that may have been negligent. I acknowledge I understand how adding this language could affect the policy limits of my policy.

<b>Acknowledgements:</b>
Please note, adding an Additional Insured means you agree to <u>share</u> the total limits of the policy.
Board Member Signature: _____ Date: _____
Typed or Electronic Signatures are not accepted.

Please send to [aim@aim-companies.com](mailto:aim@aim-companies.com). Please allow 24 hours for processing.



## Contractors/Vendors

There are times when your Organization will agree to bring certain vendors or contractors in as entertainment. Prior to bringing in a vendor or contractor, you should ask for a copy of their Certificate of Insurance. A Certificate of Insurance should only come from the insurance company where the vendor does his/her business. Make sure that there is a current date on the Certificate, as that will be your proof that the vendor has followed prudent business practice and has kept his/her insurance active. Your policy **does not insure such vendors**, but it does cover claims for attendees who get hurt from a vendor's services.

## Host Liquor Liability

Host Liquor Liability is NOT excluded under General Liability policies. Host Liquor Liability is defined as bodily injury or property damage arising out of the serving or distribution of alcoholic beverages by a party not engaged in this activity as a business enterprise. A liquor store or bar would be an example of a business enterprise serving or distributing liquor. The liability policies protect you when you host parties and events where alcohol is served. There is coverage whether you give the alcohol away or charge for it. No matter where the party is actually held, your liability insurance goes with you. The act of hiring a caterer to serve food and alcohol does not exclude your Host Liquor coverage. However, if you cater the event and the venue or caterer sells the alcohol, then they assume the liquor liability exposure. You should verify that they have liquor liability insurance by requesting proof of insurance.

## Proceed With Caution

The following activities are those which **ARE** covered under your General Liability insurance policy, but we ask that you follow the outlined precautions to limit the risk of a claim.

1. **Baby Sitting** - Baby sitting is something that you would provide during Parent Teacher group meetings or sponsored events. We ask that you have two adult volunteers (18 years or older) in the room at all times. This dual rule is in force to protect against any molestation claims, to provide a second witness to rule out false claims, and to provide extra assistance in the case of an emergency. **Paid** baby sitters are not covered under this policy.
2. **Athletic Events** - Your General Liability policy covers athletic events such as fun runs, field day, and donkey basketball as long as they are being run by your Organization. Your General Liability policy does not cover athletic organizations which maintain a regular practice and competition schedule such as a football team or cheerleading squad. Your Parent Teacher group insurance policy is only meant to cover those 1 or 2 day events that your Organization runs...not the football team, the cheerleading squad, or the band.
3. **After School programs** - Your General Liability policy covers your after school programs. For the after school program to be considered your program your Organization must both organize, and manage the program. If your Organization participates in an after school program that is organized and managed by the school, that program is not covered.

## General Liability Deductible

There is no deductible for a claim filed under this policy.

# Supplements to your General Liability Policy

## Extended Medical Payments

(Endorsement to General Liability)

If you have General Liability, why do you need Extended Medical Payments Limits? How is it different? If you read the General Liability section, you will remember that there is only a \$5,000 provision for the Medical Payments component of your General Liability policy. If you have a claim above \$5,000, the injured party could sue your Organization for any amounts incurred. Also, because the Medical Payments coverage is a separate component of the GL policy, outside of a lawsuit, fewer exclusions apply.

The Medical Payments component provides additional coverage for out of pocket medical expenses and helps deter lawsuits. **This is by no means a replacement to your liability policy but a supplement, as the Medical Payments coverage does not provide protection in the event of a lawsuit.**

*Medical Payments coverage provides Out-Of-Pocket Medical Expense coverage for events that may be specifically excluded under General Liability. It is a supplement to the General Liability policy, not a replacement.*

## Coverage Highlights

The Medical Payments coverage provides medical payments to someone injured at one of your Organization's events. It also provides potential coverage for things that are excluded under the General Liability policy such as:

1. Mechanical Rides (such as mechanical bulls, Ferris wheels, and motor driven trains)
2. Watercraft
3. Automobiles (including school buses and personal autos)
4. Hayrides (if pulled by an automobile or a tractor)
5. Parade Floats (if motor driven or pulled by an automobile)

This list is not all inclusive. If you have a question about a specific event or wish to inquire about coverage provided, please call AIM at 1-800-876-4044.

## Extended Medical Payments Coverage Limits

Extended Medical Payments coverage is available for purchase in the following Increased Limit Options:

1. \$10,000
2. \$25,000
3. \$50,000

# Media Liability

(Endorsement to General Liability)

As a supplement to your General Liability policy we also offer Social Media Liability Coverage. This coverage is designed to protect you from liability in the event you accidentally misuse or disclose information on your website or other social media site. This includes misuse of logo, copyright, pictures, confidential information and other misrepresentations or misappropriations.

## Coverage highlights:

### Pictures- do you have permission?

- Invasion of privacy by posting a photograph that has not been released for use.

### Outside company logos- do you have occasion to include company logos for events?

- Infringement of copyright, trademark, or logo, when you accidentally post something.

### Could someone feel you misrepresented details of your event and hold you responsible?

### Could you show support for a certain group (ethnic, age, political, gender) and be sued for discrimination?

- Misinterpreted or misconstrued messages by your readers.

### Do you make public ANY information that could be considered confidential?

- You could be held liable for disclosing of confidential information.

These are just some of the innocent mistakes made every day by well-intentioned people.

## Media Liability Limits:

Media Liability is available for purchase in the following Limit options:

1. \$25,000
2. \$50,000
3. \$75,000
4. \$100,000

# Terrorism

(Endorsement to General Liability)

Under the Terrorism Risk Insurance Act, you have the right to purchase insurance coverage for losses resulting from Certified Act of Terrorism (certified by the Secretary of the Treasury). In comparison to other risks Parent Teacher Groups face, the risk of a Certified Act of Terrorism occurring at one of your events is relatively low. Contact us with questions about determining if your organization needs Terrorism coverage.

# Fidelity Bond (Commercial Crime)

A Parent Teacher group should be run like a business. You have a budget to work within, deadlines to meet, and events to plan. The main concern in any business is finances. You may have many different officers with check signing capabilities or you may trust one of your volunteers to run to the bank to deposit fundraising money. Although there may be various safeguards set up to protect your funds, there is still a large risk of someone embezzling your money. The Bond (or Commercial Crime) policy is set up to protect your money, scrip, securities, and other cash equivalents against embezzlement, robbery, and theft.

## Embezzlement, Robbery and Theft

With the Bond coverage, your funds are covered from embezzlement by anyone that you entrust with your Organization's money.

Some of the people your Organization might trust with your funds include:

1. Officers
2. Volunteers
3. Members

## Position Bond vs. Blanket Bond

There are two types of bonds out there...Position Bonds (single person) and Blanket Bonds (Organization). Position Bonds usually cover only one person or one position within your Organization. While this option may seem less expensive than a Blanket Bond, these Bonds only protect your Organization if that particular person embezzles the money. For example, if your Organization only bonds the Treasurer, you will find yourself in a difficult situation if the President embezzles the money. The policy that AIM offers is a Blanket Bond. Under a Blanket Bond, it is not necessary to name everyone covered by the bond, nor the position that they hold within your Organization. In the event of a claim, we would ask if the person suspected of embezzlement was trusted with the money or if they stole funds belonging to your Organization. Your funds are also covered for anyone that has check signing capabilities who fraudulently forges a second signature on outgoing checks.

## Requirements and Conditions

In order for Bond coverage to apply to your Organization, you must comply with the following requirements:

1. Your Organization must conduct an annual audit/review of the books by an audit/review committee or qualified accountant.
2. The monthly bank reconciliation must be reviewed and signed by someone who does not have authorization to sign checks. Financial software does not qualify under this requirement.

**Coverage may be voided if the above requirements and conditions are not followed.**

## *The Two Biggest Obstacles Concerning Embezzlement:*

- 1. Understanding that trust can be broken under the right circumstances.*
- 2. Thinking it won't happen to your Organization.*

## **Safeguarding Your Funds**

While the Bond policy is available to protect your funds should they become embezzled or stolen, it is much easier to avoid the situation altogether. With the right safety practices, you can keep your hard earned funds safe and avoid a disaster altogether.



### **Exclusions**

The Bond policy does not cover funds which disappear by mysterious or unexplained loss. Additionally, if the conditions of the bond policy are not followed, then your claim has the potential of being denied.

### **Policy Limits**

AIM offers three standard coverage amounts:

1. \$10,000
2. \$25,000
3. \$50,000

These are the standard amounts offered, but we offer limits up to \$250,000. Please call AIM for pricing.

### **Police Reports Are Required**

Whether you are talking about embezzlement, robbery or theft, these are all very serious illegal crimes. In order to process a claim, you must notify the authorities in your area and furnish us with a police report naming the individual you suspect embezzled the funds. This may be the hardest part of any embezzlement claim, as the individual whom you suspect of the crime is probably someone very close to you and other members of the board.

### **Bond Deductible**

There is a \$250 deductible for a claim filed under this policy.

## *Top 10 Ways to Protect Your Funds Against Embezzlement*

1. *Never take money belonging to the Organization home.*
2. *Deposit money into the bank daily, even if a project is on-going.*
3. *Two people should always count the money and sign the receipt verifying the amount.*
4. *Two signatures should be required on all checks.*
5. *Never sign a blank check or a check made out to "cash."*
6. *All bills should be paid by check, never cash.*
7. *AVOID Debit or Credit card use.*
8. *Conduct an annual audit/financial review of the books.*
9. *Have a non-signer physically receive, review and sign the bank statements monthly.*
10. *Purchase a Bond Policy and follow the requirements.*

# Property Coverage

Every Parent Teacher group is worried about theft. Whether someone breaks into the Organization's storage facility, or someone steals merchandise from an event, the issue of theft raises concerns. Your Property policy is there to protect the personal property of your Organization from such perils as theft or fire. One thing that most Parent Teacher groups don't realize is that your Property policy can also **protect your fundraising merchandise, auction items, and raffle prizes.**

For example: Your Organization conducts wrapping paper sales as a fundraiser and takes delivery of that merchandise on Friday. Until the children pick the merchandise up on Saturday, you agree to keep the wrapping paper in a portable storage building. What you don't realize is that the storage building has a leaky roof and a rainstorm is coming. Overnight, all of your wrapping paper is ruined, the children have come to pick up their wrapping paper for delivery, and your Treasurer says that your Organization still owes the fundraising company for the wrapping paper. This policy is designed to protect you in a situation like this.

## Property Covered

Your Property policy covers personal property of your Organization from perils such as fire, lightning, windstorm, theft, and vandalism. Personal property of Parent Teacher groups are typically items including popcorn machines, school store supplies, cash registers, posters, coffee makers, and any other property that your Organization uses on a regular basis. As mentioned above, fundraising merchandise is also covered for the same perils.

## Gifting Money to the School

We all know that Parent Teacher groups raise money to purchase items to give to the school. To decrease your liability, AIM recommends that the Parent Teacher group not purchase any merchandise to give to the school directly. Instead, a better choice would be for the Parent Teacher group to "gift" the money to the school and allow the school to purchase the items that your Organization wishes to donate. We have included a sample gifting letter on the next page for you to use as a reference. While this is an acceptable form, we encourage you to put together your own gifting forms with your letterhead to use for your school.

*"We don't have a lot of property as a Booster, but we do have fundraisers and raffles. Can the Property Policy protect raffle items in our possession for a short time?"*

***ABSOLUTELY!***

Gift money directly to the school rather than purchasing gift items yourself. See the following page for a sample gifting letter.

## Sample Financial Gifting Letter

Agreement between \_\_\_\_\_ and \_\_\_\_\_.  
(Parent Group) (School/School District)

The \_\_\_\_\_ is donating \$ \_\_\_\_\_ to the \_\_\_\_\_  
(Parent Group) (School/School District)  
for the following purpose/purchase(s) of: \_\_\_\_\_ . If this purchase is not

made by \_\_\_\_\_, this amount will be returned to the \_\_\_\_\_.  
(Date) (Parent Group)

The \_\_\_\_\_ will be provided with a copy of the purchase order or requisition  
(Parent Group)  
and a copy of the paid invoice.

Signed \_\_\_\_\_ Date: \_\_\_\_\_  
(Parent Group) President

\_\_\_\_\_  
Principal/Administrator Date: \_\_\_\_\_

\_\_\_\_\_ *In the case of equipment purchase, also complete the following* \_\_\_\_\_

The \_\_\_\_\_ is donating money for the purchase of the following: \_\_\_\_\_  
(Parent Group)

The/these item(s) will become the property of the school. It is to be used for the following purpose(s):  
\_\_\_\_\_

The \_\_\_\_\_ may use the item(s) under the following conditions: \_\_\_\_\_  
(Parent Group)

The school will be responsible for the maintenance of the item and for providing supplies. In case of loss or theft, the school will be responsible for replacement and agrees to replace the item with a like kind. The school will hold the \_\_\_\_\_ harmless for any claim arising out of ownership of the use of the item(s).  
(Parent Group)

Signed \_\_\_\_\_ Date: \_\_\_\_\_  
(Parent Group) President

\_\_\_\_\_  
Principal/Administrator Date: \_\_\_\_\_

\*\*The general \_\_\_\_\_ membership must provide for any expenditure through a budget adoption/amendment and a specific vote at a general meeting. This agreement is void if not ratified by the general membership.  
(Parent Group)

## Gifting Property Directly to the School

Although we recommend that any Parent Teacher group donate money directly to the school instead of gifting property, we do recognize that many Organizations will donate property directly to the school. If this is the route your Organization chooses, we recommend getting the school to sign a Hold Harmless Agreement for the property that is donated. The Hold Harmless Agreement says that the school will hold your Organization “harmless” for any maintenance or accidents of the donated property. We have included a sample Hold Harmless Agreement in this Risk Management Guide.

*Always use a Hold Harmless Agreement when donating property directly to the school.*

### Exclusions

There are certain exclusions within your Property policy. The following is a list of specifically excluded items:

1. Scrip/Gift Certificates - The theft of scrip is not covered. Scrip is covered under the Bond policy for embezzlement or theft.
2. Marquees - Many Parent Teacher groups will conduct a fundraiser for a new sign or marquee which will go in front of the school. Once these signs are permanently grounded, they become real property and are usually covered under the school’s Property and Casualty policy.
3. Computer Labs - As with the marquees, once these computers are given to the school for use by the students, they become property of the school. These labs are not for everyday use by the Parent Teacher group. A computer specifically dedicated for your Organization’s use however, is covered.
4. Playground Equipment - This policy does not cover any playground equipment on school grounds. This property should be covered under the school’s property policy.  
**(Note: under many school insurance policies, items such as Marquees, Computers, and Playground Equipment must be gifted to the school in order to provide coverage)**
5. Other perils - This policy does not provide coverage for wear and tear, dishonest or criminal acts by a member of the Parent Teacher group, or damaged property prior to your policy start date.

This list is not all inclusive. If you have a specific question about event coverage, please call AIM at 1-800-876-4044

### Property Deductible

There is a \$250 deductible for a claim filed under this policy.

## Terrorism (Endorsement to Property)

Under the Terrorism Risk Insurance Act, you have the right to purchase insurance coverage for losses resulting from Certified Act of Terrorism (certified by the Secretary of the Treasury). In comparison to other risks Parent Teacher Groups face, the risk of a Certified Act of Terrorism causing a property loss to your organization is relatively low. Contact us with questions about determining if you organization needs Terrorism coverage.

# Sample Hold Harmless Agreement

(Name of the Parent Teacher Group)  
Parent Teacher Group Address

(Name of the Parent Teacher Group)'s insurance does not cover vendors, concessionaires or service providers. Consequently, all vendors, concessionaires or service providers are required to provide Evidence of Insurance to (Name of the Parent Teacher Group) unless annual Evidence of Insurance has been filed with the (Name of the Parent Teacher Group)'s Insurance Broker.

## HOLD HARMLESS AGREEMENT

For (Name of the Parent Teacher Group) Fund Raising Vendors, Concessionaires, or Service Providers.

### Insurance Requirements:

- (a) Workers' Compensation Insurance. Required if you have employees engaged in the performance of work under the agreement.
- (b) Comprehensive General Liability, Required \$1,000,000. Combined Single Limit.  
This policy shall cover, among other risks, the contractual liability assumed by vendor/concessionaire/service provider under the indemnification provision set for in the agreement, and include Bodily Injury, Property Damage, Personal Injury.
- (c) Automobile Liability Insurance. Required only if you are providing transportation (e.g., limousine or bus service) at (Name of the Parent Teacher Group)'s event. \$5,000,000 limit required.

If you (vendor/concessionaire/service provider) fall under (b) or (c), a Certificate of Insurance showing policy limits and an endorsement to the policy MUST be submitted with your contract.

Contract containing the following language MUST be added to the above policies (b) and (c) as an Additional Insured:

The (Name of the Parent Teacher Group), including all of their officers, directors, members and volunteers. The Insurance afforded by this policy shall be primary insurance to any other valid and collectible insurance available to (Name of the Parent Teacher Group) and

-----  
(Name of vendor/concessionaire/service provider)

I/WE \_\_\_\_\_ (vendor/concessionaire/service provider) agree(s) to defend and to indemnify and hold harmless, at my own cost, the (Name of the Parent Teacher Group) and all of their officers, directors, members and volunteers.

NOTE: The terms and conditions of this agreement shall apply with respect to Vendor's/Concessionaire's/Service Provider's operations on the premises located at:

-----  
-----  
Date: \_\_\_\_\_ Signed: \_\_\_\_\_  
(vendor/concessionaire/service provider)

Name of Entity: \_\_\_\_\_ Title: \_\_\_\_\_

Note: Failure of Vendor/Concessionaire/Service Provider to keep the required insurance policies in full force and effect during the work covered by this agreement shall constitute a breach of this agreement. In the event of a breach, (Name of the Parent Teacher Group) shall have the right but not the duty to procure insurance covering the vendor for the period of this agreement. The cost of this insurance will be deducted by the (Name of the Parent Teacher Group) from proceeds due to the Vendor/Concessionaire/Service Provider.

# Officer's Liability (Non-Profit Professional Liability)

We've covered your events with the General Liability Policy and Medical Payments Coverage, your funds with the Bond Policy, your property with the Property Policy, but what about the decisions that you make as a board? As with any business, you as an officer of your Parent Teacher group can be sued for decisions that you make individually or as an Organization. These decisions can include what type of fundraiser to have, where to hold an event, or any other managerial decisions. This policy is to protect the way you manage your Organization and the decisions that are made by you and other board members.

## Coverage Highlights

The Officer's Liability policy provides \$1,000,000 to cover decisions you make as an officer. Other things that might fall under this coverage are:

1. Inappropriate use of Organization funds
2. Wrongful acts, misleading statements, or negligent acts
3. Discrimination
4. Not following your by-laws
5. Misrepresentation

This list is not all inclusive. If you have a question about a specific situation and are inquiring if coverage is provided please call AIM at 1-800-876-4044

## Exclusions

There are certain exclusions that within your Officer's Liability policy. The following are specifically excluded items:

1. Criminal acts
2. Any knowingly wrongful act
3. Willful or reckless behavior
4. Dishonesty

This list is not all inclusive. If you have a question about a specific situation and are inquiring if coverage is provided please call AIM at 1-800-876-4044

## Officers Liability Deductible

There is a \$1500 deductible for a claim filed under this policy.

## Claims

We take claims very seriously and ask that you let us know about a potential claim as soon as possible. We have included the following Notice of Occurrence claim form in this publication, but you may also print one off from AIM's website ([www.aim-companies.com](http://www.aim-companies.com)), or call us at 1-800-876-4044.



## Claim Form

Date: \_\_\_\_\_

**Producer/Mailing Address:**

AIM Association Insurance Management, Inc.  
8144 Walnut Hill Lane, Suite 1500  
Dallas, TX 75231  
1-800-876-4044 \* FAX 214-360-0802  
[PTAClaims@aim-companies.com](mailto:PTAClaims@aim-companies.com)

**Insured Information:**

Name of Organization: \_\_\_\_\_

Insured ID: \_\_\_\_\_ Policy Number: \_\_\_\_\_

Address: \_\_\_\_\_ Council: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip \_\_\_\_\_

**Person reporting claim:**

Name: \_\_\_\_\_ Position: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

**Type of Loss:**

- Theft of money  
Was a police report filed? \_\_\_\_\_ If so, please include.
- Theft or Damage of property  
Was a police report filed? \_\_\_\_\_ If so, please include.
- Injury
- Other \_\_\_\_\_

**Witness Contact Information:**

Witness Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Witness Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Email: \_\_\_\_\_

**Occurrence:**

Date: \_\_\_\_\_ Location: \_\_\_\_\_

Description of Occurrence: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Injured Party Information:**

Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Email Address: \_\_\_\_\_

Description of Injury: \_\_\_\_\_

\_\_\_\_\_

Cause of Accident: \_\_\_\_\_

\_\_\_\_\_

**If you have any photos or videos of the event, please provide them.**

**Additional Information:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Additional Questions

Should you have additional questions that we haven't answered in this Risk Management Guide, please feel free to contact us through one of the ways listed below:

Association Insurance Management, Inc.  
PO Box 742946  
Dallas, TX 75374-2946

1-800-876-4044 or 214-360-0801

Fax: 214-360-0802

Email: [aim@aim-companies.com](mailto:aim@aim-companies.com)

Website: [www.aim-companies.com](http://www.aim-companies.com)

This Risk Management Guide is only a summary of policy coverage and in no way takes precedent over actual policy language. Your insurance policy, and not the information contained in this document, forms the contract between you and your insurance company. If there is a discrepancy or conflict between the information contained herein and your policy, your policy takes precedence. Certain coverages are not available in all states due to state insurance regulations. Certain coverage(s) may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

