



PTA Insurance Guide



Table of Contents

Why Does My PTA Need Insurance	4
General Liability Covers Everything: FALSE.....	4
General Liability	5
Bodily Injury and Property Damage	5
PTA Sponsored Events	5
General Liability Covered Events.....	6
General Liability Excluded Events	7
Participants Waiver	7
Sample Parent's Approval and Student Waiver.....	8
Sample Participant's Waiver	9
Additional Insureds	9
AIM Additional Insured Forms	10
Contractors/Vendors	12
Host Liquor Liability	12
Proceed With Caution	12
Deductible	12
Accident Medical	13
Coverage Highlights	13
Policy Limits	13
Deductible	13
Bonding (Commercial Crime)	14
Embezzlement, Robbery, and Theft	14
Position Bond vs. Blanket Bond	14
Requirements and Conditions	14
Safeguarding Your Funds	15
Exclusions	15
Policy Limits	15
Police Reports.....	15
Deductible	15

Property Coverage	16
Property Covered	16
Gifting Money to the School	16
Sample Financial Gifting Letter	17
Gifting Property Directly to the School	18
Exclusions	18
Deductible.....	18
Sample Hold Harmless Agreement.....	19
Officer's Liability (Non-Profit Professional Liability)	21
Coverage Highlights	21
Exclusions	21
Deductible	21
Claims	22
General Liability Claims	22
Accident Medical Claims	22
Bond/Embezzlement (Commercial Crime) Claims	22
Property Claims	22
Officer's Liability (Non-Profit Professional Liability) Claims	22
Notice of Occurrence Claim Form.....	23
Additional Questions	24

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.



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 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 five 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)

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 and a \$2 million General Aggregate 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

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'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 covered under your policy, this is a high risk event and you need to take extra precaution when hosting


 After School Programs	 Confetti Eggs	 Open Houses
 Aircraft	 Costume Parties	 One Day Athletic Events
 All Night Lock-Ins	 Cow Bingo	 Parades
 Animal Rides	 Crossing Guards	 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 PTA Meetings	 Fishing (from land)	 Rock Climbing Walls
 Bake or Food Sales	 Food Sales	 Rocketry
 Balloon Artists	 Fortune Telling	 Science Fairs
 Band Concerts	 Fun Runs	 Skating Rink (Roller & Skating)
 Baseball Toss	 Gift Wrapping	 Spelling Bees
 Beautification Projects	 Golf Tournaments	 Sumo Wrestling
 Bike Rodeos	 Grad Nights	 Swim Parties
 Book Fairs	 Haunted Houses	 Talent Shows
 Bounce Houses	 Hobby Shows	 Transportation
 Bowling	 Hot Air Balloons	 Trailers (Detached or Non-Owned)
 Broom Hockey	 Ice Cream Socials	 Workers Compensation
 Bungee Jumping	 Inflatable Slides	 Workshops
 Cake Walks	 Jail Auction Line Dancing	
 Candy/Wrapping Paper Sales	 Litter Cleanup	
 Carnivals	 Magic Shows	
 Colored Sand Painting	 Mechanical/Motorized Rides	
 Concession Stands	 Moon Walks	

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

Exclusions

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

- Automobiles*
- Asbestos Exposure
- 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
- Rocketry
- Vehicular Transportation of Any Type*
- Watercraft*
- Weapons, including but not limited to guns, knives, Swords, bows, axes and sling shots/catapults
- Workers Compensation Claims



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 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.

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
of birth is _____
Date Son/Daughter

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 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 gives someone else coverage 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 a defense for the park. In order to process this request, we ask that you provide us in writing with:

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.

To make this a little easier, we have included an Additional Insured form on the next page for you to fill out should you need to add 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.

Certificate Holder/Additional Insured Request Form

Insured Information (please print or type and fax to 214-360-0802)

Organization Name	
Insured Number	
Address	
City / State / Zip	
Board Member Name	
Phone Number	
Contact Fax or Email	

Certificate Holder Information

Name of Certificate Holder*	
Mailing Address*	
City, State, Zip*	

AND/OR

*Required information

Additional Insured Information

Name of Additional Insured*	
Mailing Address*	
City, State, Zip*	
Email Address or Fax Number	
Additional Insured Wording (If Applicable)	
Name/Description of Event * (If Applicable)	
Dates/Times of Event* (If Applicable)	

We understand adding an Additional Insured is sharing the total policy limit

Signature of Board Member Representative

Signature	
Date	



Association Insurance Management
PO Box 742946 · Dallas, TX 75374-2946
1-800-876-4044
www.aim-companies.com

Additional Insured Request Form Primary & Non Contributory

Insured Information (please print or type and fax to 214-360-0802)

Organization Name	
Insured Number	
Address	
City / State / Zip	
Board Member Name	
Phone Number	
Contact Fax or Email	

Additional Insured Information

*Required information

Name of Additional Insured*	
Mailing Address*	
City, State, Zip*	
Email Address or Fax Number	
Additional Insured Wording (If Applicable)	
Name/Description of Event * (If Applicable)	
Dates/Times of Event* (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.

Signature of Board Member Representative

Signature		Date	
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Contractors/Vendors

There are times when you, as a PTA, 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. But, 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 PTA meetings or PTA sponsored events. We ask that you have two adults 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. If paid baby sitters are involved they will not be 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 it is being ran by your PTA. 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 PTA 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 after school programs such as chess clubs, etc. During these programs, since it is a PTA sponsored event, we ask that at least one adult from the PTA be present to witness any potential accidents that may occur. One thing you must be careful of with any athletic after school club is the exclusion of organized athletics. If your after school program has a dedicated practice and competition schedule, any claims arising from these events will be excluded.

Deductible

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

Accident Medical

If you have General Liability, why do you need Accident Medical? How is it different? If you read the General Liability section, you will remember that there is only a \$5,000 provision for medical payment coverage. The Accident Medical policy covers everything that the General Liability policy covers, but offers higher coverage for out of pocket medical expenses. If you have a claim above \$5,000, the injured party could sue the PTA for any amounts incurred. There are also specific exclusions under the General Liability policy including mechanical rides, motor driven vehicles, and more. The Accident Medical policy provides additional coverage for out of pocket medical expenses to help deter lawsuits and to provide coverage where the General Liability policy does not. **This is by no means a replacement to your liability policy but a complement, as the Accident Medical policy does not provide protection in the event of a lawsuit.**

The Accident Medical policy provides Out-Of-Pocket Medical Expense coverage for events that are specifically excluded under the General Liability policy. It is a supplement to the General Liability policy, not a replacement.

Coverage Highlights

The Accident Medical policy provides medical payments to anyone who is injured at one of your PTA events. The policy also provides 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 and are inquiring if coverage is provided please call AIM at 1-800-876-4044).

Policy Limits

The Accident Medical policy is available in three different coverage amounts. They are:

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

Deductible

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

Bonding (Commercial Crime)

A PTA 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 the PTA's money. Some of the people your organization might trust with your funds include:

1. PTA Officers
2. PTA Volunteers
3. Couriers

The Two Biggest Obstacles Concerning Embezzlement:

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

Position Bond vs. Blanket Bond

There are two types of bonds out there...Position Bonds and Blanket Bonds. Position Bonds usually cover only one person or one position within the PTA. While this option may seem less expensive than a Blanket Bond, these Bonds only protect your PTA if that one person embezzles the money. As a better example, if your PTA 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 the PTA. In the event of a claim, we would ask if the person suspected of embezzlement was trusted with the money or if they stole the PTA's funds. Your funds are also covered from anyone that has check signing capabilities who fraudulently forges a second signature on outgoing checks.

Requirements and Conditions

To extend your Bond policy to your PTA, you must agree to the following requirements:

1. Your PTA 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.

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 take the proper steps to 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. If any of your officers lose the money, there is no coverage. At the same time, 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. They are:

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

Even though these are the standard amounts offered, we can extend the offer of a Bond policy all the way up to \$500,000. 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. You will be asked to file a police report with your Fidelity Claim Questionnaire. We cannot file a claim to our third party claim administrator without this documentation.

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 PTA money home.*
2. *Deposit PTA money into the bank daily, even if a project is on-going.*
3. *Deposit the money in the bank as soon after the conclusion of the project as possible.*
4. *Two people should always count the money and sign the receipt verifying the amount.*
5. *Two signatures should be required on all checks.*
6. *Never sign a blank check or a check made out to "cash."*
7. *All bills should be paid by check, never cash.*
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 PTA is worried about theft. Whether it is someone breaking into the storage facility for the PTA's property or someone stealing merchandise from a PTA event, the issue of theft raises concerns. Your Property policy is there to protect the personal property of the PTA from such perils as theft or fire. One thing that most PTA members don't realize is that your Property policy can also **protect your fundraising merchandise, auction items, and raffle prizes.**

For example: Your PTA 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 the PTA still owes the fundraising company for the wrapping paper. This policy is made to help you out in a situation such as this.

"We don't have a lot of Property as a PTA, but we do have fundraisers and raffles. The Property Policy can protect items in our possession for a short time?"

ABSOLUTELY!

Property Covered

Your Property policy covers any personal property of the PTA from such perils as fire, lightning, windstorm, theft, and vandalism. Personal property of the PTA are items including popcorn machines, school store supplies, cash registers, posters, coffee makers, and any other property that the PTA 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 PTA's raise money to purchase items to give to the school. To further decrease your liability, AIM recommends that the PTA not purchase any merchandise to give to the school directly. Instead, a better choice would be for the PTA to "gift" the money to the school and allow the school to purchase the items that the PTA 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.

Gift money to the school instead of your PTA purchasing the items directly. 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
(Parent Group)
use of the item(s).

Signed _____ Date: _____
(Parent Group) President

Principal/Administrator Date: _____

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

Gifting Property Directly to the School

Although, we recommend that any PTA donate money directly to the school instead of gifting property, we do recognize that many PTAs will donate property directly to the school. If this is the route your PTA chooses to go, 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 the PTA “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 that your Property policy has. 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 PTA’s will do 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 PTA. A computer specifically dedicated for PTA 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 PTA, 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)

Deductible

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

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 the Accident Medical Policy, 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 the PTA can be sued for any decisions that you make individually or as a PTA. 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 the PTA and the decisions that are made by you and other board members of the PTA.

Coverage Highlights

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

1. Mismanaging the funds of the PTA
2. Any wrongful act including errors and omissions, misleading statements, or negligent acts
3. Discrimination
4. Incorrectly running your elections
5. Not following your by-laws
6. 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 your Officer's Liability policy has. The following are specifically excluded items:

1. Any criminal acts
2. Any knowingly wrongful act
3. A claim arising from the operations of any political action committee
4. Claim brought on behalf of insured or any entity affiliated of insured

(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)

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 the possibility of a claim as soon as possible. We have included a Notice of Occurrence claim form in this publication, but you may also print one off from AIM's website (www.aim-companies.com), or you may call us at 1-800-876-4044. Depending on the type of claim, there are separate documents that you have to send in. Once we have all of the information that we need, your claim will be filed with our third party claim administrator. The severity and details of the claim will judge how long it will take for claim to be settled and/or denied.

General Liability Claims

In order for us to process a General Liability (bodily injury) claim, we will need the following documentation:

1. Properly completed Notice of Occurrence
2. A description of the incident from a member of the PTA in his/her own words
3. All medical bills from the claimant
4. Any other information that might be pertinent to the claim

Accident Medical Claims

In order for us to process an Accident Medical (bodily injury) claim, we will need the following documentation:

1. Properly completed Notice of Occurrence
2. A description of the incident from a member of the PTA in his/her own words
3. All medical bills from the claimant

Bond/Embezzlement (Commercial Crime) Claims

In order for us to process a Bond (embezzlement/theft of money) claim, we will need the following documentation:

1. Properly completed Notice of Occurrence
2. Fidelity Claim Questionnaire
3. Copy of the Police Report
4. A description of the incident from a member of the PTA in his/her own words
5. Any other information that may be outlined on the claim form.

Property Claims

In order for us to process a Property (theft or natural disaster of your organization's property) claim, we will need the following documentation:

1. Properly completed Notice of Occurrence
2. Copy of the Police Report, if stolen
3. A list of property damaged or stolen and the value of the property

Officers Liability (Non-Profit Association Professional Liability)

In order for us to process an Officers Liability claim, we will need the following documentation:

1. Properly completed Notice of Occurrence
2. Any supporting documentation from the claimant with charges filed against the PTA or PTA officers

NOTICE OF OCCURRENCE

DATE:

ORGANIZATION NAME:

INSURED ID:

TYPE OF LOSS:

DESCRIPTION OF LOSS:

ESTIMATED LOSS, if known:

DOL:

CONTACT PERSON:

EMAIL:

PHONE NUMBER:

NAME OF INJURED PARTY, if any:

PHONE NUMBER OF INJURED PARTY:

SIGNATURE OF PERSON REPORTING LOSS

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

Website: 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. All 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.

