

# Insurance for School Service Groups



# Why does our PTO/Booster Club or SSG need Liability Insurance?

- SSG/PTO is a separate legal entity from the School District.
- You can be held accountable for your actions, or lack thereof.
- Even though an act or occurrence is the result of unintentional negligence; it's still negligence.
- Lawsuits and allegations can put the personal assets of officers of the organization at risk.
- Anyone can sue for anything at anytime. Defense costs are expensive, as are judgments.



# Aren't we covered under the School District Liability Policy?

A school district and a SSG comprise two distinct legal entities, and have separate legal responsibility not involving both. Negligence committed by one, does not necessarily mean negligence committed by the other. Therefore, both entities cannot be provided adequate protection under the same policy.

# General Liability

- Covers injuries that occur at events sponsored by an SSG, or on equipment, such as a bounce house, owned or bought by the group. Even though an accident or occurrence is the result of unintentional negligence, it is, nonetheless, considered negligence. Be sure that all volunteers are covered.



# Events & Activities

- **Animal Games/Rides/Rodeo/Roping**

Because of a significant bodily injury exposure, you are strongly advised not to sponsor activities involving animals. This activity includes horseback riding, pony rides, elephant rides, donkey basketball or any type of game or ride involving an animal. Multiple injuries include broken necks resulting in permanent paralysis, broken backs resulting in permanent paralysis, permanent brain damage, broken ribs, and tooth loss.

- **Athletic/Sports Activities Or Events**

Athletic, sports, and physical type activities or events represent extremely high potential liability to a SSG, and have a very high child and adult injury incident rate.

# Events & Activities

- **Baby Sitting/Child Care/Day Care**

- **Bake or Food Sale**

You should advise the contributing parents in writing, to take care in the preparation and storage of the food to be sold. Place special emphases upon the preparation and storage during transportation, of food items that are salmonella contamination prone, including but not limited to, beef, chicken, fish and food items that contain milk products or mayonnaise. Relative to baked goods, advise the parents not to use any type of hard candy as top decoration. This **will** damage teeth.

- **Bonfire/Campfire**

Because of a significant bodily injury exposure, you are advised not to sponsor this activity. Several deaths have resulted from this activity.

# Events & Activities

- **Candy Or Wrapping Paper Sales**

You are advised to notify the parents in writing, not to allow the children to sell the items door-to door, and instead to sell to family and friends only. If the children are allowed to sell door-to door, this activity carries with it a high probability of kidnap, molestation and child abuse.

- **Car Parking**

Because of a significant bodily injury and property damage exposure, coverage for this activity is excluded (**not covered**). This activity involves vehicle traffic control which carries with it a high probability of a child injury.

- **Car Wash**

You are advised not to let anyone, other than the owner, move or drive the vehicle.

# Bonding/Crime Insurance

- A SSG may operate on extremely limited capital and sufficient internal controls are sometimes lacking. In addition, SSG money is often kept in private homes overnight. Because of these conditions, group moneys derived from dues and fund raising activities, are exposed to loss by dishonesty, forgery, alteration, theft, disappearance or destruction. When a money or financial loss does occur (about 8 times each week), which is all too often, it is not unreasonable for the general membership to expect SSG leadership, in the absence of insurance, to personally fund the loss.



# Property Insurance

- A SSG will sometimes own miscellaneous property used in the operation. Just as you would protect your own personal or business property with property insurance, you would likewise protect SSG property. It is the responsibility of leadership to see that this property is properly insured against loss due to fire, lightning, windstorm, theft, earthquake, vandalism, and other perils.
- This covers items owned by the SSG. Things like cameras, carnival booths and items held for sale.

# Directors & Officers Liability Insurance

- Directors & Officers (D&O) Liability picks up where Commercial General Liability leaves off. Each coverage provides defense and judgment insurance protection for a different set of third party liability claims or exposures. Whereas Liability provides third party liability insurance protection for covered losses resulting from an actual or alleged Bodily Injury, Property Damage, Personal Injury or Advertising Injury, Directors & Officers Liability Plus provides third party liability insurance protection for covered losses resulting from an actual or alleged error or omission, misleading statement or breach of duty.

# Accident Medical Insurance

- Accident medical is medical expense insurance which will sometimes help to avoid a lawsuit. The theory is that if their medical expenses are paid, an injured person will not sue. Accident medical provides insurance coverage for out-of-pocket medical expenses resulting from an accident at a sponsored activity or event. Accident medical coverage was designed as a supplement to and not a replacement for liability insurance, as it will cover certain medical expense claims which are not covered by liability. Members, volunteers, spectators and participants have come to expect their medical expenses to be paid by the organization in the event of an accident.

# Real Life Examples

- Jasper County HS Athletic Booster Club- Jennifer Marie Smith used their credit card to pay her personal bills.
- Friends of Bluffton Dog park- William Grooms, president of the organization, was charged with embezzling over \$10,000 from the group.
- Mission Viejo HS- Man working for booster club electrocuted while hanging sign.

