

Coverage Corner

January 2003

Is my PTA, PTO covered under the JIF Policy?

Yes. For ease I have inserted the relevant section of the General Liability Coverage Section of the Fund Coverage Document.

WHO IS AN INSURED

The term Insured includes the Fund and its Members. In addition, the following are included as Insured's within this Coverage Section:

8. All organizations whose sole purpose is to work for the benefit of a Member, including but not limited to Parent-Teacher Associations or Organizations (PTA, PTO, HSO, HSA, etc.), Band Booster and Educational Foundations, but only while acting within the scope of their duties as approved by a Member.

The general liability coverage provided is as broad for the PTA as it is for any employee provided that the District approves the activity. To this end, it is sound practice for a PTA to discuss activities in advance with administration to seek acceptance and be certain that the activity appears in the Superintendent's report to the Board. This recommended practice would provide a paper trail in the event of a claim.

The caveat of coverage is non-approved activities. This contemplates a PTA doing something the Board of Education would not approve and allows that there would be no coverage for such an activity. An example is a PTA choosing to picket a local birthing clinic because the PTA Board and members have a political agenda. This would not be a sanctioned event as a Board of Education is barred from such activities in law and would not approve.

If your District's PTA is simply providing fundraising activities in support of District objectives, it is covered under the Fund General Liability Section.

The bottom line is that the Fund coverage extends for general liability and educator's legal liability to all Parent Teacher Associations while acting solely for the benefit of the District and within the scope of duties as approved by the District. The applicable limit of coverage is \$10,000,000 for a general liability claim and a separate \$10,000,000 limit for educator's legal liability coverage. The

PTA is **not covered** for Crime, as the District does not maintain control over its finances or financial resources. It is also likely **not covered** for losses to property

the PTA may own as any such property would not be owned by the District and the District likely would not exercise care, custody or control over it. Finally, PTA members are **not covered** under Workers Compensation.

Additionally, all PTA's should have a separate crime bond for their Treasurer. The true risk they face is having all their hard-earned donations stolen and a crime bond is a must.

Does our liability insurance cover athletes from other schools participating in Conference all star, playoff, or tournament events at your school?

It depends. If a youngster steps in a hole and is injured while on our property, certainly our liability coverage responds to claims alleging negligence by the school district. If the question really means; will we cover the medical bills of athletes or team members from another school who are engaging in an athletic event at one of our covered facilities, the answer is **no**. That school would have purchased student accident and interscholastic athletic insurance to cover its own student athletes as they participate at approved events.

Be careful when hosting any tournament or playoff event! Even the NJSIAA asks schools hosting state tournament events to indemnify and hold them harmless.

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