



Insurance and Loss Prevention Summary

New York State Congress of Parents and Teachers, Inc.
One Wembley Court
Albany, NY 12205-3830
T: 1-518-452-8808
Fax: 1-518-452-8105

Please refer to our website (www.nyspta.org) under Publications/Resources for the most recent version.

The PTA is an educational not-for-profit organization whose many programs and projects are “to promote the welfare of children and youth...” In order to protect PTAs in case of litigation, the New York State PTA secures liability insurance and fidelity coverage.

INTRODUCTION

This summary presents a discussion about a General Liability, Fidelity and Crime insurance program specifically created for PTA. It is to help you understand how you can better protect yourself, your PTA unit and your state PTA from the threat of financial loss and/or lawsuits.

This summary has been developed to assist PTA leaders in selecting appropriate fundraising activities, sponsored programs and events. Using this summary will help prepare for the risks associated with these activities. Although this summary is only a guideline, PTA leaders should be careful when choosing fundraising activities to lessen the chances of injury and future lawsuits.

PTA Insurance Broker: Robert E. Welch, Vice President
Rose & Kiernan Inc.
99 Troy Road
East Greenbush, NY 12061
1-800-242-4433
Fax: 1-518-244-4261
Website: www.rkinsurance.com
Email: Rwelch@rkinsurance.com

In order to avoid litigation and to follow the Purposes of PTA for New York State PTA, activities of the Green Light section should be the ones pursued. While we recognize the activities in this Insurance and Loss Prevention Summary are not insurance policy exclusions, they do give guidance as to what should be avoided. When planning activities for your organization now and in the future, a direction might well be to “gravitate towards the GREEN.” Risk management and loss control procedures are in place to provide guidance to New York State PTA members.

PTA Insurance Carriers: Selective Insurance Companies and Philadelphia Insurance Companies

LIABILITY INSURANCE

The purpose of the policy is to protect the PTAs, including all volunteers and employees, from third party claims or lawsuits alleging negligence. It provides protection for the usual events and operations of PTAs. This is not accident insurance. The injured party **MUST PROVE NEGLIGENCE** in order to receive any payment for the injuries.

*While PTA-sponsored activities are covered under the policy (subject to its terms and conditions) currently in force, there are some activities that present a risk or do not support the PTA Purposes. (See **YELLOW LIGHT** page.) In addition, there are some activities that present an extremely high risk and should not be held (See **RED LIGHT** page.)*

If any questions exist as to the relevancy of coverage, please contact Rose & Kiernan, Inc. and then your region director prior to the scheduled activity.

Independent Contractors and Insurance – A concessionaire or commercial vendor is a person (or organization) who has a for-profit attraction (such as a Magic Show) that they will operate or conduct on behalf of the PTA for a percentage of the receipts, or for a specific sum of money. Such a person (or organization) is an independent contractor. The PTA is protected against claims or suits arising out of the operations of these independent contractors. However, the independent contractor is afforded **NO** protection under the PTA policy.

When using an independent contractor, the PTA should:

- a) obtain a Certificate of insurance showing that the independent contractor/vendor has **in-force** liability insurance with at least \$1,000,000 (written with AM Best Rated A Company), naming the PTA unit/council and the New York State Congress of Parents and Teachers, Inc. as Additional Insured;
- b) be provided with an Indemnification and Hold Harmless Agreement from the contractor. This would hold PTA harmless from any and all liability that arises out of the operations of the independent contractor, or vendor;
- c) refrain from using any independent contractor/vendor unwilling or unable to provide (a) and (b).

When PTAs enter into a contract with individuals who perform various services for monetary rewards, they institute a relationship that may require Workers' Compensation and other far-reaching consequences including IRS tax and penalty problems, that are outside of the scope of PTA liability coverage. New York State PTA has obtained guidelines from its attorney regarding such independent contractor status (see Section 5 - Finance). Any units involved in activities requiring Workers' Compensation coverage must purchase a separate policy.

FIDELITY BOND

New York State PTA carries Fidelity and Crime insurance which protects the Congress and affiliated units/councils against loss of money or property caused by fraudulent or dishonest acts of volunteers and employees. Each incident is covered up to \$200,000 with a \$2,500 deductible. PTAs filing a claim must be prepared to file criminal charges against the person accused of taking the money.

To protect the unit:

- 1) Dual signatures are required on all checks.
- 2) There should be no pre-signing of checks.
- 3) There should be a monthly bank reconciliation (balancing of the checkbook) performed by an association officer, usually the treasurer normally responsible for banking functions. A second individual that does not have signature power appointed by the executive committee reviews the monthly reconciliation.
- 4) No debit cards, credit cards or on-line bank transactions.

Should a loss occur, a Financial Discrepancy Report (included in this section) should be completed by an officer and mailed to the region director, the New York State PTA office, and the New York State PTA treasurer. The Financial Discrepancy Report is not a claim. It is notification of a loss and a confidential communication.

ACCIDENT INSURANCE

PTA's coverage **does not** cover accidents unless liability is proven.

TRANSPORTATION

You are also advised never to transport individuals to or from any event in private passenger autos but, instead, to use school buses or chartered bus services in compliance with the conditions on the yellow sheet.

DIRECTORS AND OFFICERS INSURANCE (D&O)

New York State PTA carries a D&O policy which insures the Congress and affiliated units and councils against claims for a wrongful act for directors and officers. D&O insurance is a specialized policy coverage for harm resulting from making policy and managing the affairs of the association. For example, an accident occurring at a PTA event will ordinarily be covered under general liability because it involves bodily injury. If a lawsuit is filed to stop the PTA from holding the event, that would be covered by the D&O policy.

INCIDENT REPORT AND CLAIM HANDLING

Should an incident occur, a report form should be completed by an officer of the organization and mailed to the region director, the New York State PTA office, and the New York State PTA treasurer. The incident report is **not a claim**. It is a notification of an occurrence and a confidential business communication.

Do not solicit a claim. Do not promise coverage. The insurance company will investigate reported claims and decide their validity.

PAYMENT PROCEDURES

Please note:

- Insurance payments are due to the New York State PTA Office June 1.
- Two signatures are required on all PTA checks.
- Once payment is received and accepted, a Certificate of Insurance will be mailed to your unit president.

School districts are required to have proof of insurance to allow PTAs to hold activities on school grounds. It is extremely important that your PTA is in compliance!

Insurance Recommendations for PTA Activities

Some activities can be dangerous and jeopardize the safety of our children and youth in spite of precautions taken. Think ahead, weigh the consequences and plan carefully. Such activities can jeopardize the insurance coverage for all PTAs in New York State.

Be sure to refer to the following recommendations before planning your PTA activities.

GREEN LIGHT

Approved activities and events are listed on the **GREEN LIGHT** page of this summary

YELLOW LIGHT

Occasionally, PTAs want to sponsor activities which may require additional insurance coverage, waivers of liability and certificate of insurance. PTAs must strictly adhere to PTA guidelines and/or other special arrangements. The following forms are available from your region director: (1) Independent Contract (2) Student Health Inventory and/or Parental Consent Form (3) Indemnification and Hold Harmless Agreement. All conditions must be met before undertaking any activities listed on the **YELLOW LIGHT** pages. The insurance broker must be consulted.

RED LIGHT

Certain activities and events should be avoided. Individual PTA officers may be held personally liable for conducting any event listed. The **RED LIGHT** page in this summary lists the activities which are not recommended.

New York State PTA and Rose & Kiernan, Inc. reserve the right to deny requests for additionally insured on the Certificate of Insurance for participation in Red Light activities.

GREEN LIGHT

Approved activities and events are listed below. Plan carefully and take all necessary precautions to have a safe activity.

Under no circumstances should any PTA unit, council or region sign a Hold Harmless Agreement for a vendor or provider or agree in any way that the PTA will be held responsible for liability. Review all contractual arrangements very carefully to make sure that they do not contain such provisions.

Arts & Craft Activities	Karaoke
Arts in Education Programs	Magic Shows
Auction/Silent Auction	Math Fair
Balloon Artist (non-helium inflation)	Movie Night
Band Concerts	Parent Education Workshops Performing Arts
Baseball Toss (through target)	Pizza Night
Bean Bag Toss	Plant Boutique
Bike Displays	Reading Night
Book Fair	Reflections Program
Carnivals (without amusement vendors)	Ring Toss
Christmas Tree Sales (no cutting)	Roll Reversal Plays
Colored Sand Painting	Rummage sales
Community Forums	Flea Market
Costume Carnival (costume rentals)	White Elephant Sale
Craft Fair*	Safety Programs
Craft Workshops	Sales (such as)
DJs	- Gift Wrap
Dances	- Greeting Cards
Dinners (pasta, international, barbecue)	- Fruit
Enrichment (academic)	Sale of Logo Items
Face Painting	Scarecrow Competition
Family Portraits	School Play
Fashion Shows	Science Fair
Football Throw (through target)	Silhouettes
Founders Day Dinner	Spelling Bee
Gift Wrapping	Sponge Toss (using goggles)
Golf Tournaments	Storytellers/Performers
Hobby Shows	Swap Meets*
Holiday Boutique	Talent Shows
Ice Cream Socials	Walk-A-Thon – adults only
ID Bracelets	

* operated by PTA members with all receipts going to PTA (see **YELLOW LIGHT** page for non-PTA vendors)

Fundraising activities where students may go door-to-door should not be done under any circumstances.

YELLOW LIGHT

Occasionally, PTAs want to sponsor activities which pose a risk and do not support the Purposes of PTA, and/or may require additional insurance coverage. PTAs must strictly adhere to the conditions as indicated. Please contact the insurance agent and the region director or assistant director before undertaking any of these activities listed on the YELLOW LIGHT pages.

Under no circumstances should any PTA unit, council or region sign a Hold Harmless Agreement for a vendor or provider or agree in any way that the PTA will be held responsible for liability. Review all contractual arrangements very carefully to make sure that they do not contain such provisions.

The number [e.g., (1)] following each activity refer to the CONDITION(S) that must be met prior to PTA voting to sponsor an activity or event.

Any for-Hire Transportation	
Charter Services	(2)
Limousine Services	(2)
Babysitting at PTA Meeting	(3)
Bowling	(1)
Carnival with Amusement Vendors (no motorized rides)	(2)
Craft Fair	(2)
Enrichment Program	
Academic	(1), (4)
Ballet/Dance	(1), (4)
Athletic Sports (non-contact)	(1), (4)
Grad Night for Elementary or Middle School	(1), (2)
Haunted House	(5)
Holiday Boutique	(2) for non-PTA vendors
Student Walk-A-Thon	(1)
Swap Meets	(2) for non-PTA vendors

CONDITIONS

- (1) Obtain a signed PTA student permission from each student's parents or guardian. Anyone eighteen or older may sign their own waiver. (See attached form.) **THIS ACTIVITY SHOULD BE DONE WITH EXTRA CAUTION AND SUPERVISION.**
- (2) Obtain a certificate of Insurance and an endorsement naming PTA as Additional Insured on the policy with an AM Best Rated A Company.
- (3) The only babysitting that is allowed is at PTA meetings where parents are continually on campus and the following conditions are met: the "babysitters" do not change diapers, there are at least two unrelated adults (18 years or older) in attendance at all times, and coffee or other hot fluids are kept outside of the babysitting room or area.
- (4) Have at least two unrelated adults (18 years or older) in attendance at all times.
- (5) On school grounds and with the inspection from the fire department.

RED LIGHT

New York State PTA has adopted certain policies regarding permissible PTA activities in order to minimize the risk of exposure. New York State PTA strongly recommends that certain activities be avoided because they are **dangerous and jeopardize the safety of our children and youth and adults who may participate**. Such activities and events also jeopardize the insurance coverage for all PTAs in the state. **PTA officers may be held personally liable for conducting any of the events listed below. These activities should not be contemplated, even if vendor has own insurance.**

New York State PTA and Rose & Kiernan, Inc. reserve the right to deny requests for additionally insured on the Certificate of Insurance for participation in Red Light activities.

PTA funds can never be used to pay for alcohol.

Aircraft Demonstration
Animal Rides/Hay Rides
Bungee Jumping
Casino Night
Childcare (see babysitting – **Yellow Light** page)
Crossing Guards
Darts/Dart Games
Donkey Baseball/Basketball Dunk Tanks
Enrichment Programs
 Martial Arts
 Swimming
 Skateboarding
 Roller Blading
 Contact Sports (e.g., football, hockey, soccer, lacrosse, rugby)
 Gymnastics
 Aerobics (e.g., jazzercise)
Fireworks Sales
Flush Tank/Dunk Tank
Flushem
Hot Air Balloons/Balloon Ride (on ground or in the air)
Ice Skating and Roller Skating
Ice Fishing Derby
Inflatables (e.g., Astro Walk, Castle Bounce, Cosmo Walk, Moon Walk, Slides, Mazes)
Mazes
Motorized Rides/Amusement Parks
Paint Ball Guns
Pyrotechnic Displays
Rock Climbing Walls
Rocket Launching
Ropes/Challenge Courses
Slam Dancing (moshing, Stage Diving)
Slides
Snow Activities (e.g., Skiing, Snowboarding, Snowmobile Rides, Sledding)
Transportation+
Velcro Walls
Water Activities (e.g., Boat Rides, Sailing, Canoe, Kayak, Water Skiing, Whitewater Rafting, Surfing)

+Transportation should be in school buses or charter service rather than private passenger vehicles.

Student Permission Slip

NEW YORK STATE PTA®

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_____ has my (our) permission to participate in
Name of Minor

_____ on _____
Event or Activity Date

at _____ from _____ to _____
Location Beginning Time Ending Time

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

Myself, my heirs, executors and administrators, remise, release and forever discharge

_____ PTA UNIT _____ PTA COUNCIL _____ PTA REGION

and the New York State Congress of Parents and Teachers Inc., and all PTA officers, employees and agents of each of the foregoing, acting officially or otherwise, from any and all claims, demands, actions or causes of action on account of referred. I hereby certify that the minor is my _____

Son/Daughter

and that his/her date of birth is _____ and I do hereby certify that to the best of my 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 hereby advise that the above named minor has had all 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

Alternate Adult:

_____ Signature Print Name Address City Phone

Aprobacion de los Padres y Rununcia del Estudiante

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_____ tiene mi (nuestro) permiso para participar
(nombre del menor)

en _____ el _____
(actividad o evento) (fecha)

en _____ entre _____ y _____
(lugar) (hora)

Yo (nosotros), come padre(s) o guardian(es) del menor, por la presente, por mi _____
(hijo/hija)

A mi mismo, mis herederos, ejecutores y administradores, liberta y descarga para siempre a

_____ (nombre de unidad de PTA) _____ (nombre del consequ de PTA) _____ (numero de distrito de PTA)

y a New York State Congress of Parents and Teachers, Inc., y a todos los oficiales de la PTA, empleados y agentes de todos estos grupos funcionando o no funcionando en su capacidad oficial, de todos los danos y causas de accion en cuenta del referente. Por esto certifico que el menor es mi _____ y
(hijo/hija)

que su fecha de nacimiento es y por las presente certifico que el menor esta bien de salud. En case de accidente o enfermedad, tiene permiso para obtener tratamiento de emergencia. Yo acepto toda responsabilidad por estas acciones incluyendo los gastos. Les aviso que el mencionado menor tiene las siguientes alergias, reacciones a medicacion o condicion fisica que se le debe hacer saber al medico que atienda a mi hijo/hija. (en Case de que no haya nada, favor de escribir "nada.") _____

1. _____
Firma (en letra de molde escribaru nombre, direccion. Ciudad y telefono)

2. _____
Firma (en letra de molde escribaru nombre, direccion. Ciudad y telefono)

Adulto alterno:

_____ Firma (en letra de molde escribaru nombre, direccion. Ciudad y telefono)

Adults Agreement and Waiver

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_____ agrees to participate in
Name

_____ on _____
Event or Activity Date

at _____ from _____ to _____
Location Beginning Time Ending Time

I do, hereby, for myself, my heirs, executors and administrators, remise, release and forever discharge

_____ PTA Unit _____ PTA Council _____ PTA Region

and the New York State Congress of Parents, and Teachers Inc., and all PTA officers, employees and agents of each of the foregoing, acting officially or otherwise, from any and all claims, demands, actions or causes or action on account of referred. I do hereby certify that to the best of my knowledge and belief said adult named 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 hereby advise that the above named adult has had all 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. _____

2. _____

Financial Discrepancy Report Form

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Name of PTA _____ UNIT # _____

PTA Address _____

City _____ NY Zip _____

Date _____ District _____

Contact Person/Position _____

Address _____

City _____ NY Zip _____

Phone Number _____

Amount of Financial Discrepancy _____

Date of the Discovery _____

PROVIDE DETAILS OF FINANCIAL DISCREPANCY AND HOW IT WAS DISCOVERED

(continue on back of form or separate sheet)

Proof of Discrepancy (Please attach copies)

Police Report (if any) # _____

Send one copy of this form to the New York State PTA office, one copy to the region director, and one copy to the New York State PTA treasurer. Keep one copy in your file with copies of documented proof.

THIS IS A CONFIDENTIAL DOCUMENT USED FOR INSURANCE INVESTIGATIVE PURPOSES.

Incident Report Form

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NAME OF PTA _____ UNIT # _____

ADDRESS _____ REGION _____

CITY _____ STATE _____ ZIP _____ DATE _____

NAME OF INJURED (IF ANY) _____ AGE _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE AND FAX # _____ DATE OF INCIDENT _____

NAME OF EVENT _____

PLACE OF INCIDENT _____

TYPE OF EVENT _____

TYPE & EXTENT OF INCIDENT _____

NARRATIVE DESCRIPTION OF HOW INCIDENT OCCURRED

IF INJURY SUSTAINED, WAS TREATMENT RENDERED AT SCENE? _____

WERE AUTHORITIES INVOLVED i.e.: POLICE, EMT, AMBULANCE? _____

IS THERE ANY HOSPITAL REPORT? _____ (ATTACH REPORT IF AVAILABLE)

WAS INJURY DUE TO ANY ACT OR NEGLIGENCE OF PTA? _____ EXPLAIN _____

WHAT WAS INJURED PARTY'S DUTIES IN ACTIVITY (IF ANY)? _____

PTA CONTACT PERSON (PERSON IN CHARGE)

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

HOME PHONE # _____ WORK # _____

IF INCIDENT INVOLVED A CONCESSIONAIRE OR VENDOR

COMPANY NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE # _____

PERSON PREPARING THIS REPORT

NAME _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

PHONE # _____

Please note any additional information you feel is important.

Attach a copy of the approved Building/Facility Use Permit for this activity.

THIS IS A CONFIDENTIAL DOCUMENT USED FOR INSURANCE INVESTIGATIVE PURPOSES.

Send one copy of this form to the New York State PTA office, one copy to the region director, and one copy to New York State PTA treasurer. Keep one copy in your file with copies of any other documents.