ASSOCIATION INSURANCE MANAGEMENT INC

PTA Insurance

Presented by Jamie Fagan

Why Does Your Group Need Insurance?

- To protect the assets of the PTA and the personal assets of its members
- Anyone can sue for any reason, and they usually do
- PTAs are not immune from liability
- Typically, school insurance does not cover PTAs.
- Insurance will pay attorney fees to defend you

What kind of insurance should you consider?

- **Event Insurance (General Liability)**

  Supplements available:

  - Extended Medical Payments
  - Media Liability

- **Embezzlement Insurance (Crime/Bond)**

- **Directors and Officers Liability**

- **Property Insurance**

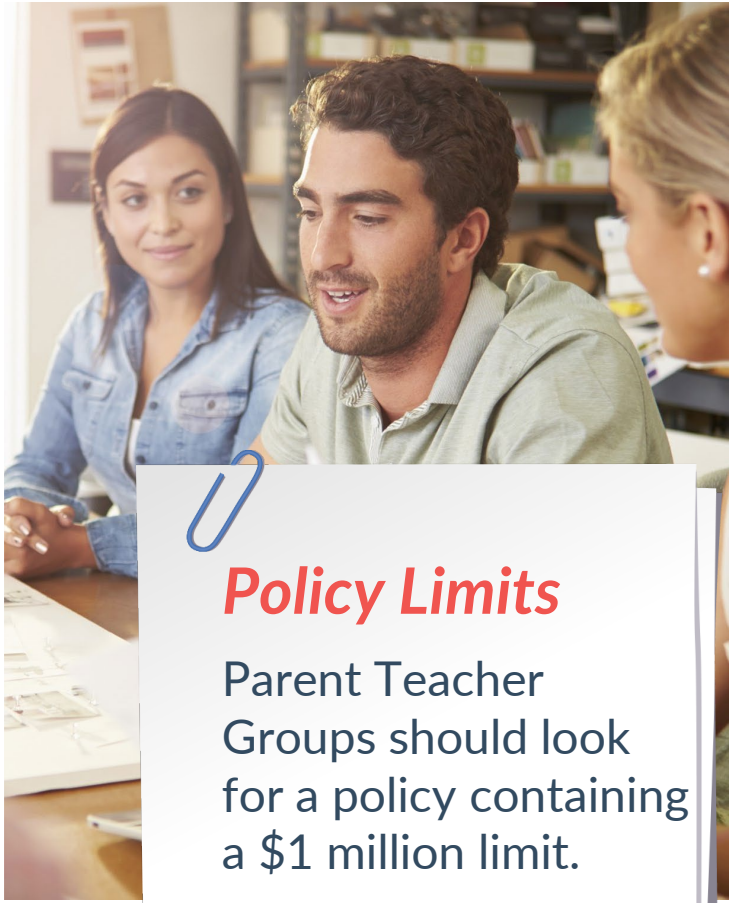
EVENT INSURANCE (GENERAL LIABILITY)

What does Event Insurance protect your PTA from?

General Liability protects you from lawsuits resulting from bodily injury and property damage.

Who needs protection under General Liability?

- Named Insured
- PTA members, volunteers and employees



Policy Limits

Parent Teacher Groups should look for a policy containing a $1 million limit.

Did you know?

Typically, your school's insurance does **not** cover or protect your parent teacher group.

Activities that could cause you liability:

- Bounce Houses
- Baby Sitting
- Roller Skating Parties
- Graduation Parties
- Swim Parties
- After Prom Parties
- Dances
- Carnivals
- Fun Runs
- Meetings
- Bazaars
- Dinners
- Book Fairs
- Food Sales

These are just a few examples.

Activities that are not covered:

- Automobile
- Watercraft
- Workers Compensation
- Firework Sales or Use
- Mechanical Rides
- Aircraft
- Organized Sports

Extended Medical Payments Endorsement

What kind of protection does this coverage provide?

- Provides easy access to reimbursement of out-of-pocket medical expenses due to injuries sustained at a PTA event.
- Coverage extends to volunteers AND attendees.

Why is Medical Payments coverage important?

- It provides the option for higher limit to cover larger medical expenses.
- Helps to deter lawsuits by providing up front medical payments.

General Liability automatically includes a standard $5,000 medical payment limit per occurrence. The Extended Medical Payments endorsement allows you to increase this limit if you have particularly high-risk activities such as bounce houses.

EVENT INSURANCE

Does my group need higher Medical Payments limit?

Every PTA is different. Consider how much protection you need based on the number and types of activities.

Media Liability Endorsement

Protects you from liability associated with your website and social media

Types Of Risks You Are Protected From

- Posting photographs without getting a release
- Using trademarks and logos without permission
- Misrepresentation of information
- Making confidential information public

Types of social media included

- Facebook
- Instagram
- LinkedIn
- Youtube
- Organizational Website
- Twitter
- Others

EMBEZZLEMENT INSURANCE (CRIME/BOND)

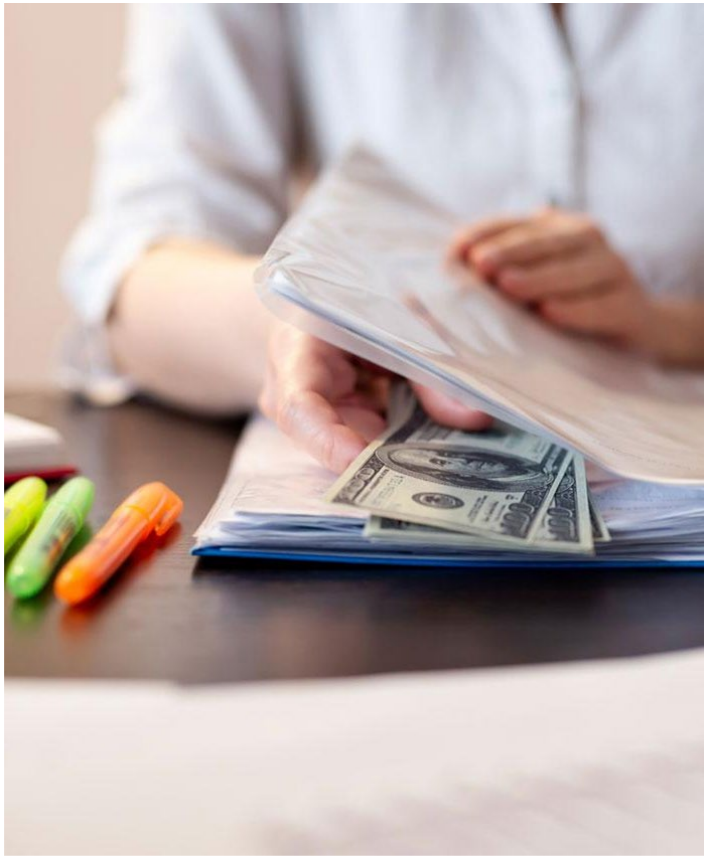
How does Embezzlement Insurance protect your PTA?

EMBEZZLEMENT INSURANCE

Embezzlement Insurance protects the cash or money of your PTA against embezzlement, robbery or theft.

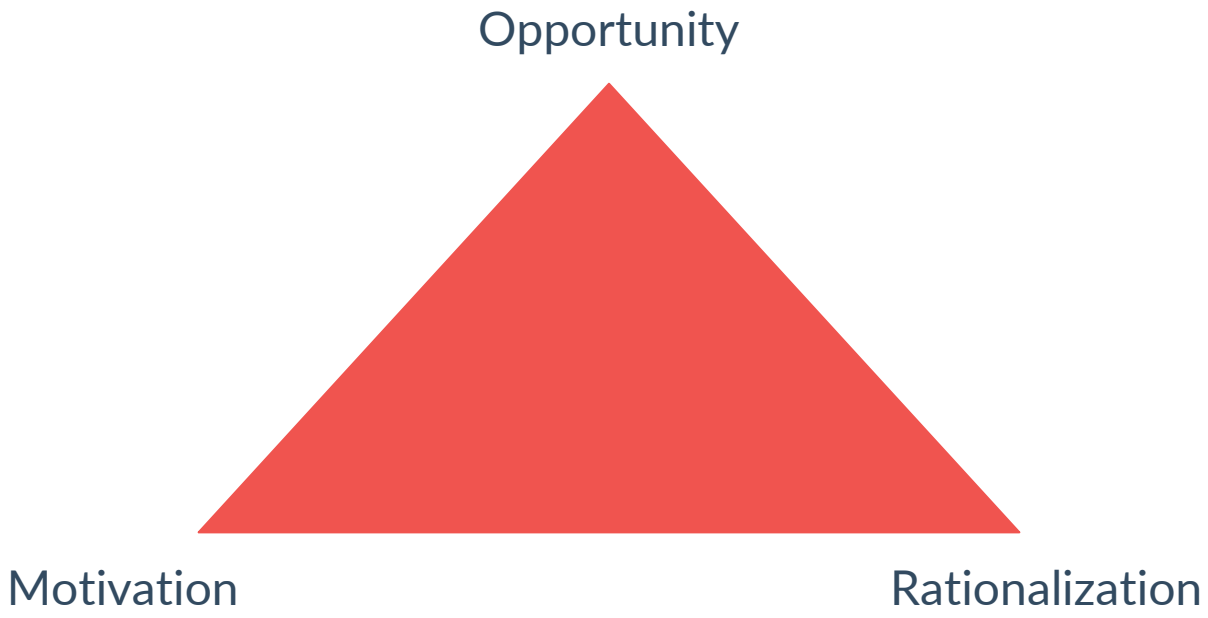
Who should be covered?

Anyone who handles or has access to your groups' money.



Fraud Triangle

Embezzlement Insurance



EMBEZZLEMENT INSURANCE

- **How can your PTA protect itself from loss?**
  - Have a checking account requiring two signatures on each check
  - Have someone who does not have check signing authority review the bank statement on a monthly basis *(required)*
  - Conduct an annual audit of the books by an audit committee or a qualified accountant (required)

- **How much coverage do you need?**

  Each PTA should determine their own level of coverage.

  The Safest Practice: Match your gross annual budget revenues to your bond limit. (Limits are available up to $250,000)

Directors & Officers Liability

Why does your PTA need **Directors & Officers Liability Insurance**?

DIRECTORS & OFFICERS LIABILITY

Directors and officers are protected in the case of lawsuits resulting in wrongful acts or inappropriate actions.

DIRECTORS & OFFICERS LIABILITY

Directors and Officers liability covers the following situations:

- Inappropriate use of PTA funds
- Misleading Statements
- Wrongful or negligent acts
- Discrimination
- Not following organizational by-laws
- Misrepresentation

Exceptions include:

Lawsuits resulting from…

- Knowingly wrongful acts
- Dishonesty
- Criminal Acts
- Willful/Reckless Behavior

PROPERTY INSURANCE

Property Insurance protects any personal property owned by the PTA from loss or damage due to an accident, theft, or natural disaster.

Did you know?

Typically, your school's insurance does not cover or protect your PTAs property.

Types of property typically protected:

- Fundraising Merchandise
- Popcorn Machines
- Auction Items
- Tables and Chairs
- Barbecue Grills
- Microphones
- School Store Supplies
- Raffle Items
- Disaster Relief Materials

These are just a few examples.

Thank you!
Questions?
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