PTA Insurance

Presented by

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PTA Insurance

Why Does Your PTA 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
• PTA’s are not immune from liability
• Typically, school insurance does not cover the PTA
• Insurance will pay attorney fees to defend you
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What Kind of Insurance Should You Consider?

- General Liability
  - Extended Medical Payments Endorsement
  - Media Liability Endorsement
  - Terrorism Risk Endorsement
- Fidelity Bond (Crime)
- Officers Liability
- Inland Marine (Property Insurance)
  - Terrorism Risk Endorsement
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*General Liability Insurance*

What does General Liability protect you from?

Lawsuits resulting from bodily injury and property damage

Who needs protection under the General Liability?

1. The Named Insured
2. PTA members, volunteers, and employees

Policy Limits?

PTAs should look for a policy containing a $1 million limit.
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*General Liability Insurance*

What kind of activities could cause you liability?

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

What kind of activities are usually not covered?

- Automobile
- Watercraft
- Workers Compensation
- Fireworks Sales or Use
- Mechanical Rides
- Aircraft
- Organized Sports
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*Extended Medical Payments Endorsement*

What kind of protection does this coverage provide?
1. Provides medical payments for injuries sustained at a PTA event.

How is it different from the underlying General Liability Insurance?
1. General Liability insurance protects you from lawsuits.
2. Extended Medical payments coverage will provide payment for medical expenses not involving a lawsuit.

Why is this coverage important?
2. It provides for larger limit to cover large medical expenses.
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*Extended Medical Payments Endorsement*

Examples of coverage under standard General Liability vs. Medical Payments Coverage:

<table>
<thead>
<tr>
<th>Risk</th>
<th>Extended Medical</th>
<th>General Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buses, Vans, Cars</td>
<td>Covered</td>
<td>Not Covered</td>
</tr>
<tr>
<td>Hayrides (by auto)</td>
<td>Covered</td>
<td>Not Covered</td>
</tr>
<tr>
<td>Mechanical Rides</td>
<td>Covered</td>
<td>Not Covered</td>
</tr>
<tr>
<td>Watercraft (boats)</td>
<td>Covered</td>
<td>Not Covered</td>
</tr>
<tr>
<td>Fireworks</td>
<td>Covered</td>
<td>Not Covered</td>
</tr>
</tbody>
</table>
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Extended Medical Payments Endorsement

What policy limits should you consider?
Every PTA is different. Each PTA should consider how much protection they need based on the number and types of activities.

What are the standard limits of coverage?
Standard limits are $10,000, $25,000, or $50,000
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Media Liability Endorsement (GL)

What does Media Liability protect you from?
Lawsuits resulting from Social Media

What types of risks are you protected from?
1. Posting photographs without getting a release
2. Using trademarks and logos without permission
3. Misrepresentation of information
4. Making confidential information public
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*Media Liability Endorsement (GL)*

What types of Social Media are covered?

1. Facebook
2. Your PTA Website
3. LinkedIn
4. YouTube
5. Twitter
6. Instagram
7. Others
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*Terrorism Risk Endorsement*

*(Available under GL & Property)*

What does Terrorism Risk Insurance protect you from?

Covered losses resulting from a Certified Terrorist Act at one of your events.

Why is it offered to PTA’s?

It’s required by law.

What’s the likelihood this would happen?

Very low
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Fidelity Bond Insurance

What does a bond policy protect?
A bond protects the cash or money of the PTA against embezzlement, robbery, or theft.

Who should be covered by a bond?
Anyone in the PTA who handles or has access to the money.
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Fidelity Bond Insurance

Fraud Triangle

Opportunity

Motivation

Rationalization
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Fidelity Bond Insurance

How does a PTA protect itself from a loss?

1. Have a checking account requiring two signatures on each check.
2. Have someone who does not have check signing authority review the bank statement on a monthly basis. (required)
3. Conduct an annual audit of the books by an audit committee or a qualified accountant. (required)

How much bonding coverage do you need?

Each PTA has to determine their own level of coverage.  
The Safest Practice: Match your gross annual budget revenues to your bond limit.
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Officers Liability Insurance

How are the PTA officers protected?

Protects officers from lawsuits resulting from wrongful acts or inappropriate actions.

Officers Liability covers the following situations:

1. Inappropriate use of Organization funds
2. Wrongful acts, misleading statements, or negligent acts
3. Discrimination
4. Not following your by-laws
5. Misrepresentation

How might the PTA officers “not” be protected?

If a lawsuit results from knowingly wrongful acts, dishonesty, criminal acts, or willful/reckless behavior.
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Inland Marine (*Property Insurance*)

**What does this policy protect?**

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

**What types of property are typically protected?**

- Fund Raising Merchandise
- Popcorn Machine
- Auction Items
- Tables and Chairs
- Disaster Relief Materials
- Barbecue Grills
- Raffle Items
- Microphones
- School Store Supplies
- Portable Buildings
- ...and more
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Questions?

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