

# INSURANCE AND LOSS PREVENTION GUIDE

This publication has been developed to assist PTA leaders in selecting appropriate **fund-raising activities**, sponsored programs and events. Using this publication will help prepare for the risks associated with these activities.

PTA Insurance Carrier: Comprehensive General Liability:  
Alliance of Nonprofits for Insurance Risk Retention Group  
Directors and Officers Liability:  
Alliance of Nonprofits for Insurance Risk Retention Group  
Fidelity Bond  
Travelers Insurance Company

PTA Insurance Broker: BB & T Insurance Services of California, Inc. (MD License NPI 100018039)  
535 N. Brand Blvd., 10<sup>th</sup> Floor, Glendale, CA 91203  
Toll Free (866) 611-9400  
Contacts are Jennifer, Christine or Kathy  
FAX (888)770-1883  
Email: [MDpta@BBandT.com](mailto:MDpta@BBandT.com)



**Red Light** — Certain activities and events are **prohibited** and are not covered under a policy of insurance for the PTA. Individual PTA officers may be held personally liable for conducting any of the events listed on the prohibited list. The **RED** page in this guide lists **prohibited** activities.

**Yellow Light** — Occasionally, PTAs want to sponsor activities that may require additional insurance coverage, waivers of liability and certificates of insurance. PTAs must strictly adhere to PTA guidelines and/or other special arrangements. All conditions must be met before undertaking any activities listed on the **YELLOW** pages. The insurance broker must be consulted.

**Green Light** — Approved activities and events are listed on the **GREEN** pages of this guide. Please refer to the National PTA **Annual Resources for PTAs** for more information about appropriate PTA fund-raising activities.

**Maryland**  
**PTA**<sup>®</sup>




*everychild.one voice.*

Maryland PTA  
5 Central Avenue, Glen Burnie MD 21061-3441

(410) 760-6221 • FAX (410) 760-6344 • E-mail [office@mdpta.org](mailto:office@mdpta.org)  
<http://www.mdpta.org>

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# OVERVIEW OF INSURANCE

## COMPREHENSIVE GENERAL LIABILITY

Maryland PTA provides Comprehensive General Liability coverage with a \$1,000,000 limit that covers all **allowable** PTA activities.

The policy insures the PTA unit, its members and volunteers in case they are held legally liable for bodily injury or property damage to another person that results from a covered PTA event. PTA insurance does not cover booster clubs or other organizations. This is not a medical policy but a policy that pays because you are legally liable for injuries to other parties. If someone is injured, but the injury is not the result of PTA negligence, individual should utilize his/her own medical insurance for coverage.

The policy is designed to cover allowable PTA events. It is critical that before planning any PTA activities the RED, YELLOW and GREEN pages be reviewed. Certain activities and events are prohibited because they are excluded by the insurance policy or because they are dangerous or jeopardize the safety of our children and youth. If the PTA sponsors a RED page event and someone is injured because of PTA negligence the individual PTA officers could be held personally liable.

## HIRED AND NON-OWNED AUTO LIABILITY

This protects the PTA unit if they are sued because of the use of automobiles by volunteers in the course of PTA business. You are still required to have your own automobile insurance. This will *not* cover any damage to your vehicle.

## DIRECTORS & OFFICERS LIABILITY

Maryland PTA offers \$1,000,000 Directors & Officers Liability insurance. This covers the PTA unit, the directors, officers, members and volunteers. You can be sued when acting in the above capacity because of failure to act within established guidelines.

## BONDING INSURANCE

Maryland PTA provides bonding insurance. We have \$25,000 Employee or Volunteer Theft, \$25,000 Forgery and \$25,000 theft of money by an outsider with a \$500 Deductible. For higher limits contact the PTA Broker.

## **PROCEDURES FOR REPORTING INCIDENTS AT PTA EVENTS**

The Incident Report Form must be completed by the PTA president. It is a confidential communication between the PTA and the Maryland PTA broker, informing the Maryland PTA broker of the *potential* problem. It is not a claim; it is merely notification of an incident. The Incident Report Form is **not** to be completed by the injured party, but you, as PTA president, may ask the party questions that will enable you to make a complete report.

It is important you have full/complete information but you **must not** give the impression that because you have completed an Incident Report Form that the PTA is responsible and will “take care” of the injured party. The Maryland PTA broker will file the Incident Report Form with the insurance carrier who will investigate the incident and determine responsibility.

The Incident Report Form must be completed for every incident and accident that occurs. If a very serious incident/accident is being reported, you may also want to call the Maryland PTA broker at (866) 611-9400.

The PTA president should follow-up with anyone injured at a PTA event to express concern for the individual and inquire about any injuries sustained. As PTA president you must never promise to compensate a victim for his/her injuries or accept fault. Demonstrating concern for the individual may avert many claims.

The Incident Report Form (page 4) is part of the *Insurance and Loss Prevention Guide*.

Make three (3) copies of the completed Incident Report Form and distribute as follows:

- ✓ The original to be mailed to the Maryland PTA Broker:  
BB and T Insurance Services of CA, Inc.  
535 N. Brand Blvd., 10<sup>th</sup> Floor  
Glendale, CA 91203
  
- ✓ Mail one (1) copy to the Maryland PTA  
5 Central Avenue  
Glen Burnie, MD 21061-3441
  
- ✓ Retain one (1) copy for your files

**INCIDENT REPORT FORM**

Prepare three (3) copies

Name of PTA Unit \_\_\_\_\_  
Address \_\_\_\_\_ County \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Date \_\_\_\_\_  
EMAIL Address \_\_\_\_\_ FAX # \_\_\_\_\_

Name of Injured (if any) \_\_\_\_\_ Age \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Phone (\_\_\_\_) \_\_\_\_\_ Date of Incident \_\_\_\_\_

Type and Extent of Incident \_\_\_\_\_

Narrative description of how incident occurred. \_\_\_\_\_

Was injury due to any act or negligence of PTA? Explain. \_\_\_\_\_

Was activity under supervision and/or sponsorship of PTA? Describe. \_\_\_\_\_

What were injured party's duties (if any) in activity? \_\_\_\_\_

WITNESS NAME \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

PERSON IN CHARGE \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**IF INCIDENT INVOLVED A VENDOR/CONCESSIONAIRE/SERVICE PROVIDER:**

Name \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**PERSON PREPARING REPORT:**

Name \_\_\_\_\_ Phone (\_\_\_\_) \_\_\_\_\_  
Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**PLEASE USE ADDITIONAL PAGES FOR MORE COMPLETE DESCRIPTIONS**

Please complete this original report, make three (3) copies and distribute as follows:  
Original to BB&T Insurance Services of CA, Inc., 535 N. Brand Blvd., 10<sup>th</sup> Floor, Glendale, CA 91203  
Copy to Maryland PTA, 5 Central Avenue, Glen Burnie, MD 21061-3441  
Retain 1 copy for your files

# RED LIGHT

The Maryland PTA has adopted certain policies regarding permissible PTA activities in order to minimize the risk of exposure. It is the policy of the Maryland State PTA that certain activities be prohibited because they are dangerous and jeopardize the safety of our children and youth. Such activities also jeopardize the insurance coverage for **all** PTAs in the state. Other activities and events are excluded by the insurance underwriter.

**The following activities and events are prohibited. Individual PTA officers may be held personally liable for conducting any of the events listed below. All PTAs should be aware that violation of established Maryland PTA policies, including the sponsoring of prohibited activities, can result in withdrawal of the PTA's charter.**

**THESE ACTIVITIES ARE NOT ALLOWED, EVEN IF VENDOR HAS THEIR OWN INSURANCE.**

Alcohol Sales \* See Maryland PTA Alcohol Sale and Use Position Statement at the bottom of the page.

Aircraft Demonstrations

Animal Rides

Block Parent

Blood Testing (Blood Drives are Acceptable)

Booster Clubs or Other Organizations

Bungee Jumping

Concessionaire operations at Stadiums, Speedways or Arenas. School concessions are OK.

Cosmetic Services

Donkey Baseball/Basketball

Enrichment Programs — these activities are prohibited: Contact insurance broker for certain exceptions.

Martial Arts, Gymnastics, Physical Education Classes, Contact Sports, Skateboarding, Roller Blading, Other Athletic-type Activities

Fireworks Sales

Health Services (National Flu Busters are allowed)

Hot Air Balloons/Balloon Rides (on ground or in the air)

Human Canon Balls (or any variation)

Monster Truck

Paint Ball Guns

Pyrotechnic (Fireworks) Displays

Safe House

Slam Dancing (Moshing, Stage Diving)

Surfing Contests

Trampolines

Transportation (except by Chartered Service, refer to YELLOW LIGHT list)

Watercraft (except commercial craft of 26 feet or more operated by a qualified vendor with evidence of insurance)

**\*In accordance with the Maryland State PTA insurance program, PTAs may not engage in the sale of alcoholic beverages. (Red Light Item)**

Many PTAs hold silent auctions and dinners as fundraisers in which bottles and/or cases of wine are donated for use as auction items. These donated bottles and/or cases of wine may be used as auction items provided the auction is held at a non school site location and the contents are not decanted during the event or on the premises.

PTAs may auction donated beverages but not sell alcoholic beverages under any circumstance.

**Serving of Alcohol at PTA Events** -- The Maryland State PTA strongly urges its constituent organizations to refrain from serving alcoholic beverages at PTA functions. If alcoholic beverages are served at a PTA function, the PTA may not serve them. Any alcoholic beverages must be provided and served by a licensed establishment or catering company that has the appropriate permits and insurance. When a PTA is planning an event that will include alcoholic beverages, the PTA may not collect for the cost of the alcoholic beverages through ticket sales. This cost must be paid separately to the licensed establishment or catering company with the valid permits and insurance.

Under no circumstances may PTA funds be used to purchase alcoholic beverages or bottles of alcohol. Remember, the purpose of PTA is to work on behalf of all children and speak for "everychild.onevoice."

# YELLOW LIGHT

Occasionally, PTAs want to sponsor activities which may require additional insurance coverage, waivers of liability, certificates of insurance or other special arrangements. PTAs must strictly adhere to PTA guidelines. All conditions must be met and/or the Maryland PTA Insurance Broker consulted before undertaking any activities listed on the **YELLOW** pages.

**Under no circumstances should any PTA unit, council or district sign a Hold Harmless Agreement for a vendor/concessionaire/service 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. If a contract includes a Hold Harmless Agreement contact the Maryland PTA Insurance Broker prior to signing.**

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

After Prom (2)  
Astro Walk (1), (11) and (17)  
Athletic Events (2), (3), (4) and (18)  
Babysitting at PTA Meetings (5)  
Bingo and Raffles (7) and (8)  
Camps — Outdoor Enrichment and Science (2)  
Car Wash-Fund Raiser (20)  
Carnivals with Powered Rides and Amusement Vendors (1), (2) and (11)  
Castle Bounce (1), (11) and (17)  
Chartered Services, Limousine Services, Any For-Hire Transportation (1) and (14)  
Childcare (2), (5) and (9)  
Climbing Walls (19)  
Craft Fairs, Holiday Boutique and Swap Meets (1) and (2)  
Dart Games (1)  
Dunk Tanks (1), (11) and (17)  
Enrichment Classes (16)  
Field Trips (2)  
Go-Carts (1) and (11)  
Hayride (1) and (11)  
Helmet Fairs (12)  
Jog-A-Thon or Walk-A-Thon (4)  
Grad Night (1), (2) and (3)  
Limousine or Bus Service (1) and (14)  
Litter Cleanups (10)  
Opportunity Drawing Tickets (7) and (8)  
Petting Zoo (1) and (15)  
Purchase of Playground Equipment (13)  
Snack Food Concessionaire — Hired (1) and (2)  
Swim Classes (6)  
Swim Party (6)  
Virtual Realities (1)  
Water Slides (1), (2) (11) and (17)

## CONDITIONS

- (1) Obtain a Certificate of Insurance and an endorsement naming PTA as Additional Insured on the policy. The vendor/concessionaire/service provider must also sign the Hold Harmless Agreement (page 10). The Hold Harmless Agreement part (b) spells out the insurance requirements for the vendor/concessionaire/service provider. Advise your vendor to give a copy of the agreement to their insurance broker.
- (2) Call the Maryland PTA broker with details of the event at (866) 611-9400
- (3) If a PTA unit, council or district chooses to sponsor allowable activities or events that the insurance company has excluded (Athletic Events) the unit, council or district must purchase the necessary additional participant liability insurance for that activity, and the entire organization (the Maryland PTA, its units and councils) must be named as Additional Insured. Please contact the Maryland PTA broker, BB&T Insurance Services, for requirements for additional insurance and to confirm if your event would be covered or excluded. The Maryland PTA broker understands the necessity of protecting the entire organization and will make sure that such additional coverage will match the existing PTA liability insurance and that Maryland PTA will be protected.
- (4) The only exception for which additional insurance need not be purchased is a Jog- or Walk-A-Thon. Parents and teachers (**and now the general public**) may participate but must sign a Participant's Waiver (page 14) for themselves. Keep in mind that the PTA does not have accident coverage for Jog- or Walk-A-Thon events. These are your requirements: a) prearranged course, separate from traffic b) proper supervision-security or police in place c) water stations d) signed waivers.
- (5) 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. An additional person, which can be a high school student, is required for each additional ten children in the room. Can be under 18 if a certified babysitter.
- (6) Certified lifeguard required for all swim events.
- (7) Bingo and Raffles: Refer to the Constitution of Maryland State. Information is available on their website [www.state.md.us](http://www.state.md.us). Licensing is required and you must follow the state rules.
- (8) Please consult local government for ordinances.
- (9) If you have Childcare or Day Care you are required to be licensed by the State of Maryland. You will also need to obtain a separate policy of insurance. Please call the Maryland PTA insurance broker.
- (10) Adequate supervision must be provided. Reflected vests and rubber gloves must be used. Clean-up must not be done on freeways.
- (11) If you are required to sign a contract by the vendor/concessionaire/service provider you **must** FAX a copy of the contract to the Maryland PTA insurance broker. See coverage sheet for broker FAX numbers.

## CONDITIONS (continued)

- (12) If you sponsor a helmet fair do not accept payments for the helmets but have the payment for purchases be made direct to the vendor.
- (13) When you purchase playground equipment it is best to gift the money to the School and allow them to purchase and install the equipment. PTA's must not install the equipment.
- (14) The Maryland PTA does **not** have excess coverage over the bus companies insurance. We recommend that **you** gift the money to the school and allow them to arrange and pay for the bus when making field trips.
- (15) Children are being exposed to dangerous E. coli bacteria at petting zoos and fairs. Children pet the animals then put their hands in their mouths or touch food they are going to eat. Have your children wash their hands immediately and/or use antibacterial hand gel.
- (16) You are required to have two unrelated adults in all classrooms. One can be the teacher and the other a parent volunteer. Refer to the Red Light page for restricted activities, call the broker with questions.
- (17) No homemade dunk tanks, bounce houses or slides. You must rent from a vendor who has appropriate insurance. Dunk tanks must be fully enclosed so water is not splashing on the ground. An example of this is the Royal Flush Dunk Tank. (See the Bounce House Guidelines, available at the [www.ani-rrg.org](http://www.ani-rrg.org) secure website or contact the Director of Loss Control at 831-621-6076 or via email: [www.losscontrol@insuranceforprofits.org](mailto:www.losscontrol@insuranceforprofits.org))
- (18) No team sports with a roster
- (19) Climbing walls need a harness.
- (20) When holding car wash fund raisers the owner of the vehicle must move it and no one should wear a belt or anything that might scratch the vehicle.

Maryland PTA insurance does not cover vendors/concessionaires/service providers. Consequently, all vendors/concessionaires/service providers are required to provide Evidence of Insurance to each PTA.

## HOLD HARMLESS AGREEMENT

### FOR PTA FUND RAISING VENDORS/CONCESSIONAIRES/SERVICE PROVIDERS

#### Insurance Requirements:

- (a) Workers' Compensation Insurance. Required if you have employees engaged in the performance of work under the agreement.
- (b) Comprehensive General Liability, Required \$1,000,000 Combined Single Limit. This policy shall cover, among other risks, the contractual liability assumed vendor/concessionaire/service provider under the indemnification provision set for in the agreement, and include Bodily Injury, Property Damage and Personal Injury.
- (c) Automobile Liability Insurance. Required only if you are providing transportation (e.g., limousine or bus service) at PTA event. \$1,000,000 limit required.

If you (vendor/concessionaire/service provider) fall under (b) or (c), a Certificate of Insurance showing policy limits and an endorsement to the policy **MUST** be submitted with your contract.

#### **Contract containing the following language MUST be added to the above policies (b) and (c) as an Additional Insured:**

The Maryland Congress of Parents & Teachers, (Maryland PTA) including all units and councils, and all their officers, directors, members and volunteers. The insurance afforded by this policy shall be primary insurance to any other valid and collectible insurance available to PTA and

\_\_\_\_\_  
(Name of vendor/concessionaire/service provider)

I/We \_\_\_\_\_(vendor/concessionaire/ service provider) agree(s) to defend and to indemnify and hold harmless, the Maryland Congress of Parents and Teachers, (Maryland PTA) including all units, councils and all of their officers, directors, members and volunteers, but only with respect to liability for bodily injury or property damage or personal and advertising injury caused, in whole or in part, by my/our acts or omissions or the acts or omissions of those acting on my/our behalf:

- A. In the performance of my/our operations; or
- B. In connection with my/our premises rented to you; or
- C. In the sale or distribution of my/our products.

**NOTE:** The terms and conditions of this agreement shall apply with respect to Vendor's/Concessionaire's/Service Provider's operations for any PTA unit that is part of Maryland State PTA.

DATE: \_\_\_\_\_ SIGNED: \_\_\_\_\_

(Vendor/Concessionaire/Service Provider)

NAME OF ENTITY: \_\_\_\_\_ TITLE: \_\_\_\_\_

**NOTE:** Failure of Vendor/Concessionaire/Service Provider to keep the required insurance policies in full force and effect during the work covered by this agreement shall constitute a breach of this agreement. In the event of a breach, PTA shall have the right but not the duty to procure insurance covering the vendor for the period of this agreement. The cost of this insurance will be deducted by the PTA from the proceeds due to the Vendor/Concessionaire/Service Provider.



cert

## PARTICIPANT'S WAIVER

In the consideration of the acceptance of my entry in the

\_\_\_\_\_  
Name of PTA Unit

\_\_\_\_\_  
City

Date of Event \_\_\_\_\_ Name of Event \_\_\_\_\_

\_\_\_\_\_ I the undersigned participant, intending to be legally bound, do hereby for myself and heirs, executors, administrators and assigns, forever waive, release and discharge any and all rights, claims and actions for damages that I may have, or that may hereafter accrue to me against the Maryland PTA including all units and councils, and all of their officers, directors, members and volunteers.

I attest and verify that I am physically fit and able to participate in this event and acknowledge that I am aware of the inherent risks in participating in an athletic event of this type.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City

\_\_\_\_\_  
Phone

2010

# GREEN LIGHT

Approved activities and events are listed on the **GREEN** pages. The National PTA **Annual Resources for PTAs** must be referred to for more information about appropriate PTA fund-raising activities and PTA policies and procedures.

**Under no circumstances should any PTA unit or council sign a Hold Harmless Agreement for a vendor/concessionaire/service 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. If a contract includes a Hold Harmless Agreement contact the Maryland PTA Insurance Broker prior to signing. Vendors for these activities are still required to sign the PTA Hold Harmless Agreement and provide the necessary proof of insurance.**

After-School Treats  
Apple Bobbing  
Art & Craft Activities  
Auction/Silent Auction  
Bake Sales (be sure your school district and/or local health department allow homemade products)  
Balloon Artist  
Band Concerts  
Baseball Toss through Target  
Bean Bag Toss  
Bike Displays & Bike Rodeos  
Book Fair  
Bowling  
Broom Hockey  
Cake Walks  
Calendar Sales  
Candy Sales  
Carnivals without Powered Rides and Amusement Vendors (refer to Yellow Light List)  
Christmas Tree Sales (No cutting)  
Colored Sand Painting  
Community Forums  
Confetti Eggs  
Cookbook Sales  
Cooking Classes  
Costume Carnival and Costume Rentals  
Cow Bingo  
Craft Fairs, Holiday Boutique, and Swap Meets (operated by PTA members with all receipts going to PTA) (No selling used Sports Equipment)  
Craft Workshops  
DJs  
Dances and Dance Dance Revolution  
Dinners (pasta, crab, international, barbecue, etc.)  
Enrichment — Academic only (refer to exclusions on **RED LIGHT** list)  
Egg Toss  
Face Painting  
Family Portraits  
Fashion Shows  
Fish Ping Pong  
Food Sales  
Football Throw through Target  
Fortune-Telling, Terra Card Reading  
Gift Wrap Sales  
Gift Wrapping  
Golf Tournament

*Continued*

## **GREEN LIGHT Approved Activities and Events (continued)**

Greeting Card Sales  
Haunted House  
Hobby Shows  
Hypnotist  
Ice Cream Socials  
I.D. Bracelets  
Jail Auctions  
Karaoke  
Laser Tag  
Leg-A-Thon  
Line Dancing  
Life Time Fitness  
Magazine Sales  
Magic Shows  
Math Fair  
Mouse Trap Maze  
(Wear Velcro suits, move through Velcro maze, and try not to touch sides.  
No launching devices.)  
Movie Night  
“Nerf” Bow and Arrow  
Parent Education Workshops  
Pee Wee Golf  
Performing Arts  
Pencil Sales  
Picnic-Type Games (Not competing against other schools or classes)  
    3-Legged Race           Puzzle Race  
    Basketball Shoot       Sack Race  
    Bowling               Softball Throw  
    Jump Rope             tug-of-war  
    Obstacle Course       Volleyball  
    Potato Race  
Pizza Night  
Plant Boutiques  
Popcorn Sales  
Reading Night  
Ring Toss  
Roll Reversal Plays  
Rummage Sales (ALL sales receipts going to PTA)  
    White Elephant Sale/Flea Markets  
Sale of Logo Items  
Scarecrow Competition  
School Play  
Science Fair  
Silhouettes  
Skate Night  
Snack Food Sales  
Snow Day  
Spelling Bee  
Sponge Toss Using Goggles  
Storytellers/Performers  
Taffy/Sucker tug-of-war  
T-shirt Sales, Sweatshirt, Jacket, etc.  
Talent Shows  
Water Balloon Toss  
Water Bottle Sales  
Yearbook Sales

## **DIRECTORS AND OFFICERS LIABILITY INSURANCE**

Maryland PTA provides \$1,000,000 Directors and Officers Liability Insurance. This policy covers all units and councils participating in the program.

You, as a director, officer, member or volunteer of an organization, can be sued because of failure or alleged failure to act within established guidelines. Directors and Officers have a fiduciary duty to their organization and are sued by those who feel members have not lived up to the responsibilities or duties assumed as members of the organization.

Generally these duties are:

**Duty of Loyalty:** Requires you to act in good faith. You must not allow your personal interest to prevail over the interests of the organization. Don't use PTA as a personal forum.

**Duty of Care:** Requires you to be diligent and prudent in managing the organization's affairs. You must be informed and regularly review all financial statements, have regular attendance at board meetings and avoid conflicts of interest.

**Duty of Obedience:** Forbids acts outside the scope of corporate powers. The governing board of the organization must comply with state and federal law, and conform to the organization's charter, articles of incorporation and bylaws.

Examples of actual claims that have been filed against nonprofit organizations:

- ✓Wrongful Termination
- ✓Breach of Employment Contract
- ✓Fund Misappropriation
- ✓Discrimination
- ✓Antitrust
- ✓Civil Rights Violation
- ✓Sexual Harassment
- ✓Promotions and Compensation
- ✓Invasion of Privacy
- ✓Interference with Employment Contract
- ✓Inefficient Administration
- ✓Waste of Assets
- ✓Failure to Deliver Services
- ✓Fund-Raising Activities
- ✓Lobbying Activities
- ✓Entering into Contracts Where Conflict of Interest May Exist
- ✓Libel and Slander

(Reminder: As with the Comprehensive General Liability coverage PTA must do all it can to prevent losses. This makes it possible to keep insurance costs low.)

## BONDING INSURANCE

Maryland PTA's insurance program includes bonding. You are covered for \$25,000 Coverage A (Fidelity) with a \$500 Deductible. Coverage A covers you if an employee, member or volunteer takes assets of the PTA.

You have \$25,000 Coverage B (Forgery) with a \$500 deductible. This covers loss resulting from forgery or alteration of a check.

You have \$25,000 Coverage C (Theft/Robbery) with a \$500 deductible. This covers should someone other than an employee, member or volunteer take assets (money or scrip) from us.

Higher limits are available. Contact the PTA Insurance Broker.

The bond does not provide coverage for wire transfers. There is very limited coverage for credit card losses and we discourage the use by units and councils.

**Losses must be reported within 60 days of when you discover a potential loss.** We recommend you report a loss when you are in the investigation stage, to prevent your claim being denied. You must have records of your transactions to collect on a loss.

***It is critical that all units follow the Maryland PTA Financial Guidelines.*** Two signatures are required on all checks. When a fundraiser is held and large amounts of cash are collected, two people should count the funds; both sign and each retain a copy of the receipt verification form and deposit the money in the bank. Cash should not be left unattended in any car, taken home or deposited in your personal account. When a large fundraiser is held it is a good practice to do an audit on the fundraiser immediately upon completion of the event. An audit will immediately reveal if funds are missing.

Maryland PTA By-Laws require that all PTA's submit a copy of the treasurer's annual report, reviewed by the auditing committee to the Maryland State PTA or their designated representative.

## DISCLAIMER

It must be understood that this document is only a summary, it is **NOT** all-inclusive, nor does it alter or waive any of the actual policy coverage, exclusions or conditions.

The material in this publication is provided for informational purposes only and is not intended to be representative of coverage that may exist in any particular situation under the policy. All conditions of coverage, terms and limitation are defined and provided for in the policy.

Please contact the Maryland PTA Insurance Broker BB&T Insurance Services of CA, Inc. (866) 611-9400 or [mdpta@bbandt.com](mailto:mdpta@bbandt.com) if your proposed activity is not listed under the **RED, YELLOW OR GREEN LIGHT**, or if you have questions regarding coverage or activities.



The *Insurance and Loss Prevention Guide* was made possible through the cooperative efforts of:

Alliance of Nonprofits for Insurance Risk Retention Group  
BB&T Insurance Services of California, Inc.  
Travelers Insurance Company

*Please contact the Maryland PTA Insurance Broker for any suggestions for new green page items.*

### **LOSS CONTROL/RISK MANAGEMENT RESOURCES**

Many free resources are available from our liability carrier, “ANI” (Alliance of Nonprofits for Insurance, Risk Retention Group).

They offer educational booklets (which include how to have safe events, managing volunteers, important facts about directors and officers and their legal liability); an online library of forms and templates; discounted background checks; an audio visual lending library; loss control assistance. You can get more information about these and other resources at their secure website: [www.ani-rrg.org](http://www.ani-rrg.org). If you need a login to the website, or have any questions regarding the resources, please contact the Director of Loss Control at 831-621-6076 or via email at [losscontrol@insurancefornonprofits.org](mailto:losscontrol@insurancefornonprofits.org).