



## 2019 Insurance FAQ's

*Please contact California State PTA's insurance broker, AIM, with clarifying questions at [capta@aim-companies.com](mailto:capta@aim-companies.com) or (800) 876-4044.*

The 2019 Insurance Guide is available online at [downloads.capta.org/Leaders/Insurance/CAPTA Insurance Guide 2019 FINAL.pdf](https://downloads.capta.org/Leaders/Insurance/CAPTA_Insurance_Guide_2019_FINAL.pdf).

### BOND/CRIME POLICY

**1. Are there new requirements under the Bond (Crime) Policy?**

Yes, there are two conditions under the bond coverage:

1. Your organization must conduct an annual audit/review of the books by an audit/review committee (which should consist of a minimum of two members) or a qualified accountant. A PTA member who is a qualified accountant/bookkeeper may conduct the annual audit/review.
2. The monthly bank reconciliation must be reviewed and signed by someone who does not have authorization to sign checks. Financial software does not qualify under this requirement.

### CLAIMS/INCIDENT REPORTS

**1. Where do we go for help on claims that were filed prior to the 1/5/19 change in insurance?**

AIM can handle all inquiries for prior claims, please contact them at [capta@aim-companies.com](mailto:capta@aim-companies.com) and provide the name of your organization and any documents or details that would help identify your claim such as the original incident report.

**2. When we have an incident, how do I know if I should report to AIM or just keep for my records?**

The Incident Report Form must be completed for every incident and accident that occurs at the time of occurrence. Copies of the form should be submitted to California State PTA at [insurance@capta.org](mailto:insurance@capta.org) and to your district PTA president; however, the report should only be submitted to AIM when someone is seeking reimbursement for damages. All other incident reports should be kept on file internally for five years. See page 35 of the [Insurance Guide](#) for additional information.

### COVERED ACTIVITIES AND INDIVIDUALS

**1. Is babysitting allowed at PTA functions?**

Babysitting is an allowed activity and your policy will cover your PTA for claims in connection with babysitting regardless of whether the babysitters are paid or volunteers. However, if the

babysitter is personally sued, coverage is only extended to volunteer babysitters. Paid babysitters are considered vendors and do not have coverage under this policy. This is consistent with requirements for other vendors and is not a change from previous coverage.

Please see the [PTA Toolkit](#) for more information about best practices.

**2. Does our policy cover after school programs?**

If the after school program is organized and managed by your PTA, this is considered a PTA event and coverage is provided under your policy.

If your PTA participates in an after school program organized by the school, we will defend your PTA in the event your organization is held legally liable for damages. For all other claims, such as medical payments (outside of a suit), the school's coverage would be expected to respond.

**3. What are the rules around alcohol at a PTA event?**

Rules around serving alcohol at PTA events have recently changed. Leaders should review the information ["Selecting Appropriate Fundraising Activities"](#) in the Finance section of the Toolkit. Host Liquor Liability is included under your General Liability policy, and PTAs may engage in the sale of alcoholic beverages at PTA events provided necessary approvals are obtained, including appropriate ABC (Alcoholic Beverage Control) licensing and approval of the school district for events held on school grounds. For more information, see page 22 of the [Insurance Guide](#).

**4. Are there any special requirements around bounce houses?**

Bounce houses are an allowable activity under the policy. Bounce house vendors should complete the vendor requirements and waivers should be used for all participants.

**5. Are volunteers automatically covered regardless whether they signed in to an event?**

Yes.

**6. Many of our units plan trips to Astro Camp or Pali Camp. Is this covered? These are not school sponsored trips. They cannot gift money to the school. It is completely PTA run.**

Camps are covered under the PTA policy; however, some camps may have events such as zip lining or bungee activities that are red light, excluded events under the PTA policy. Leaders should review the red light list to ensure PTA-sponsored events do not include prohibited activities.

**7. Page 6 of the new Insurance Guide says the "majority" of manpower must be provided by members. What if we bring in outside help who don't have their own vendor insurance, for instance, sometimes we bring in non-member "experts" from other schools and organizations to help us run math night activities?**

This is generally acceptable. The intent of this language is to avoid turning over the operations and supervision to another organization.

**8. I have units asking if BMX shows are covered.**

There is no exclusion for a BMX bike show.

**9. Page 6 of the Insurance Guide, #4 under Sponsored Events: If PTA is hosting a fun run which is typically organized by a company with little PTA volunteers required. Does this mean that this type of event would not be covered?**

If your PTA approved, scheduled, funded and planned this event, using a 3<sup>rd</sup> party fun run vendor is acceptable.

**10. Is there any coverage provided for fundraising products once they are received from a vendor and prior to when they are delivered to the purchaser? Particularly when you have a material on-going inventory like in a high school student store? If not, how easy is it to get a supplemental policy to cover this inventory?**

Yes, this coverage would be included under Inland Marine (Business Personal Property). This is not part of the CAPTA standard package but can be purchased separately by contacting AIM. See page 30 of the [Insurance Guide](#) for more information.

**11. Is a run club or other sports activity covered if it is run by volunteers?**

PTA events can include physical sport activities but the policy is not intended to cover organized teams with regular games and practices such as the football team or cheerleading squad.

**12. Are pool parties allowed with lifeguards present for 3rd grade and up?**

Pool parties are an allowed activity for any age. Certified life guards and waivers are strongly advised.

**13. If someone volunteers at an event or helps in an area where money exchanges hands, if they never joined as a member, would they still be covered under the bonding insurance?**

Yes, the bond insurance covers anyone who has access to your money.

**14. For fundraising, can homemade food be sold? We will label all ingredients.**

There is no specific exclusion for homemade food items under your insurance policy; however, regulations vary from county to county, school district to school district. Please refer to local regulations before proceeding.

**15. It looks like in this new guide animal rides are allowed but yellow. Just confirming this is now allowed as I believe it was red last year.**

Animal rides are covered under your general liability policy; however, this is a high-risk event and extra precaution should be taken. It is recommended that participant waivers be collected for this activity. Please contact AIM for additional information.

**16. If a PTA runs a Grad Night and contracts with bus companies, is transportation covered?**

Hired and Non-Owned Auto coverage is included for California PTAs under an endorsement to PTA's general liability policy; however, all bus companies should complete the vendor

requirements and have the applicable limit of insurance per page 20 of the [Insurance Guide](#). See page 23 for more information on Hired and Non-Owned Auto coverage.

- 17. As far as a “valet” service at drop-off and pick-up (volunteers stand at curb and open/close car doors as students are dropped off as well as motioning to keep traffic moving), are students allowed to be volunteers? Are we covered for both student and adult volunteers?**

Volunteers must be at least 18 years of age and sign a waiver. Please see page 10 of the [Insurance Guide](#).

- 18. If the PTA pays for field trips for students but does not plan or execute the event, does the PTA need to do anything related to insurance for the field trip (gather insurance for busses as an example).**

We always recommend that money be gifted to the school as this decreases chances that the PTA would be held liable. If this is not possible and the PTA is paying vendors directly, the vendor requirements should be collected.

- 19. Are color runs allowed?**

Yes, color runs are on the green light list. See page 8 of the [Insurance Guide](#).

- 20. Are PTAs covered if they co-sponsor an event with booster clubs or other parent organizations?**

The policy will defend the PTA if they are sued in connection with an event they co-sponsor. There are certain situations such as an injured party requesting medical bill compensation outside of a suit and in this case the claims administrator would look to determine the PTA’s role in that event.

- 21. Re: Business Personal Property coverage, if the PTA “borrows” equipment (a tent, projector, tables) from a PTA member/volunteer, is this borrowed equipment covered under the PTA policy?**

Yes, the policy includes property of others in the custody or control of the insured.

## ELECTRONIC PAYMENTS

- 1. Are we allowed to make payments electronically? Are we covered if money is electronically removed from our account?**

Electronic payments are an approved method of accepting or making payment, although checks are the preferred method. There is no exclusion for money that is embezzled via electronic payments.

*Please see the [PTA Toolkit](#) for more information.*

## HOLD HARMLESS AGREEMENTS

- 1. Our school district's Facilities Use Agreement requires us to sign saying we hold them harmless. I know we are not to sign those. How do we deal with that?**

In certain cases, hold harmless agreements are acceptable. Using a district facility free of charge is one of these cases, but PTAs should contact AIM to review the specific hold harmless language contained. Anytime you pay for goods or services and are asked to sign a hold harmless, your PTA should contact AIM. AIM will provide guidance on how to proceed, as well as review the potential risk if the agreement is signed.

**2. Do we need approval for any contract we are asked to sign?**

Many contracts contain hold harmless and indemnification language that could obligate your PTA to take on liability for damages not caused by your PTA or not covered by your policy. AIM can review contracts, advise on risk associated with specific language and when to negotiate this contract language. It is strongly recommended that you reach out to them anytime you are asked to sign a contract. Signing contracts without review by AIM could expose your PTA to unnecessary risk.

## VENDOR REQUIREMENTS/FORMS/COVERAGE

Access the vendor requirements packet at <http://downloads.capta.org/Leaders/Insurance/CAPTA-Vendor-Insurance-Requirements-Forms.pdf>.

**1. Can we use vendors that do not have liability insurance?**

Generally speaking, all vendors should have liability insurance and are required by California State PTA to complete all vendor requirements. However, exceptions can be made if you are working with an individual (not an established company) that does not have liability insurance. These individuals should still sign a hold harmless agreement.

**2. Can you please confirm or clarify that the Additional Insured Endorsement is required and separate from the Certificate of Liability that has the additional insured listed with the required wording "California Congress of...and volunteers?" I think the similar wording of additional insured vs. additional insured endorsement makes it difficult to see that there is a distinction.**

Correct, the vendor requirements include BOTH the certificate and endorsement reflecting the required wording. The endorsement is the policy document adding a 3<sup>rd</sup> party to the policy as an Additional Insured. The certificate is a one-page summary of what the policy covers. Both are required.

**3. What documents are required for contracting with a vendor?**

Vendors must provide a certificate of insurance meeting all coverage requirements as well as an additional insured endorsement with special language, and a hold harmless agreement. Please refer to page 20 of the [Insurance Guide](#).

**4. Before we would have to send in vendor insurance information for every event, do we still need to do so or only with new vendors?**

Vendor paperwork does not need to be submitted to AIM, but should be retained internally by the PTA. AIM will require the paperwork in the event of a claim. If a vendor is interested in being added to the approved vendor list, they should contact AIM.

5. **If we have food trucks that sell food at our events, are they covered by our insurance?**  
No, vendors are required to have their own liability insurance. See page 20 of the [Insurance Guide](#) for vendor requirements.
6. **The old policy covered independent contractors who provided services on site or at PTA function. Does this policy cover independent contractors as well as employees?**  
Workers compensation includes certain independent contractors. General Liability covers volunteers and employees. Based on details provided at the time of claim, it would be determined if an independent contractor qualified as an employee or not.
7. **Who do we email for the packet of docs we need to have vendors sign that was just mentioned?**  
[Click here](#) to access AIM's vendor requirements packet and forms.
8. **Are the Certificates of Insurance, Additional Insureds, and Hold Harmless to be submitted to AIM for approval before event can be approved?**  
AIM does not require these items. They are for your protection and should be kept on file in the event of a claim.
9. **Are all volunteers and participants covered?**  
Generally speaking, yes.

## WAIVERS

1. **Please talk about the PTA waiver we have families sign at the beginning of the year and also to enter some events, like the carnival. How does it work with our insurance? Is it required?**  
Coverage is not dependent on waivers. However, waivers are a very good deterrent against law suits and ALWAYS recommended. In addition to annual waivers, if you choose to have events, especially physical activities that pose higher risk such as bounce houses, we recommend waivers specific to that event.
2. **What about waivers for volunteers? Or participants? Do they have to be filled out every time?**It is recommended that student/participant waivers be collected for all physical activities and off-site events. See page 9 of the [Insurance Guide](#) for additional information.
3. **Do volunteers at PTA events still need to sign a volunteer waiver? Whether they are an adult, a family member adult, or a student from a high school or middle school helping us (we are an elementary school)?**  
Yes, anyone performing volunteer duties should sign a volunteer waiver. Volunteers under 18 will also require a parent signature.
4. **Do we need students to sign the new participation waivers for our spring ice cream social?**

Only if the event is off-site. It is recommended that student/participant waivers be collected for all physical activities and off-site events. See page 9 of the [Insurance Guide](#) for additional information.

**5. Is the CAPTA participation waiver still required of all participants at PTA events?**

It is recommended that student/participant waivers be collected for all physical activities and off-site events. See page 9 of the [Insurance Guide](#) for additional information.

**6. Do we need a waiver for our jog-a-thon then that is during school hours?**

It is recommended that student/participant waivers be collected for all physical activities and off-site events. See page 9 of the [Insurance Guide](#) for additional information.

**7. A lot of our PTA activities are joint with our school district. Do we need to pass this info along to our districts? If we worked with our district to come up with a joint waiver, do we need to submit that to you to review? Is that allowed?**

A joint waiver is acceptable as long as the release of liability is in favor of BOTH, the school and the PTA. It is not required that AIM review these waivers.

**8. What types of waivers are needed for participation in a PTA event from the student (or guardian/parent), the parent, community volunteers, etc.? Can these waivers be signed once for the year for all events, or are they needed by event and for what types of events (walk-a-thon, movie night, meetings, etc.)?**

It is recommended that student/participant waivers be collected for all physical activities and off-site events. Waivers may be signed for the entire year's activities. See page 9 and page 11 (which notes the 3 types of waiver) of the [Insurance Guide](#) for additional information.

**9. Do you offer a program that has the waivers online and creates a spreadsheet?**

We are looking into offering an online waiver form that is fillable, but it would not generate a downloadable spreadsheet with the data collected.

**10. Are waivers required for restaurant nights?**

Waivers are not required but suggested especially for physical activity and in situations where the PTA takes on a transportation responsibility.

**11. Are waivers recommended/required for PTA events held on school property that do not include a physical activity?**

Waivers are not required. We suggest that each PTA use their best judgment and consider if their activities pose any additional risk for injury.

## WORKERS COMPENSATION

**1. Do we need workers comp paperwork for the tax preparer we paid?**

Any payments for services should be listed on the [California State PTA Workers' Compensation Annual Payroll Report](#). If the payee has provided a valid Certificate of Insurance (COI) with workers' comp coverage, the "Yes" column under the question as to whether or not the worker

has workers' comp coverage should be marked. If the payee does not have coverage or has not provided a valid COI, the "No" column should be marked and the payments listed in the "Payroll Amount Paid" column.

**2. If we don't employ anyone, do we still need to turn in worker's comp paperwork?**

The [California State PTA Workers' Compensation Annual Payroll Report](#) should be turned in regardless of whether or not anyone was employed during the reporting period. If no one was paid, simply write "No One Paid" in the body of the form, sign it, and forward it through the proper channels (e.g. unit to council to district to state). Turning in the report confirms that no one was paid. Otherwise, there is no way for California State PTA to know if no one was paid or if there were unreported payments because the unit, council, or district simply neglected to complete and turn in a report. The report is submitted through channels and is due to the State PTA office by January 31.

**3. If we pay a dance instructor for instruction to students, do we need to have worker's comp insurance for them?**

Any payments for services should be listed on the [California State PTA Workers' Compensation Annual Payroll Report](#). If the payee has provided a valid Certificate of Insurance (COI) with workers' comp coverage, the "Yes" column under the question as to whether or not the worker has workers' comp coverage should be marked. If the payee does not have coverage or has not provided a valid COI, the "No" column should be marked and the payments listed in the "Payroll Amount Paid" column.

## OTHER QUESTIONS

**1. Will AIM send copies of the PTA certificate of insurance to all the school districts that have school PTAs?**

Certificates of Insurance are currently available to school districts upon request. We are developing a process to capture information regarding needs for future years to ensure school districts receive the information needed.

**2. In the case of the umbrella extension being activated, who would pay the \$10,000 deductible?**

The PTA unit is responsible for the \$10,000 deductible if the umbrella extension is activated. This would happen after a claim goes beyond the \$1,000,000 limit.

**3. I don't remember a deductible for General Liability. Are you saying if any unit is sued and they lose they will be liable for \$10,000 payment? What about if co-insurance settles?**

There is no deductible for General Liability. If a claim exceeds \$1,000,000, the deductible under the Umbrella is \$10,000.

**4. Regarding Directors & Officers (D&O) coverage, would legal assistance be included or are defense costs a separate limit?**

Under General Liability, defense costs are outside the limit and do not reduce the limits of insurance. Under D & O defense costs are inside the limit and reduce the limits of insurance.



**5. What can constitute gross negligence?**

This is typically defined as a voluntary and purposeful disregard for reasonable care.

**6. Where can we find the additional guidelines/special arrangements needed for yellow light items? Are there specific actions that we need to take for yellow light activities such as bounce houses? Waivers, I assume . . . anything else?**

Yellow light activities do not have any requirements under the policy but we ask that you refer to the best practices section on pages 9-10 of the [Insurance Guide](#) to determine the highly advised ways to reduce your risk.

*Please also refer to the [PTA Toolkit](#) for guidance on approved activities.*

**7. Are the insurance guides being mailed to presidents at home address or to school address?**

Guides are being mailed to the PTA address on file.

**8. Do we need the school district to sign any paperwork if PTAs use their facilities after school hours?**

There are no special requirements under the policy for use of facilities after school hours. Please contact your school district regarding their requirements for use of their facilities.

**9. Are you looking into cyber insurance?**

California State PTA is exploring additional coverage.