

General Information About PTA Insurance:

In the interest of clarity and ease of access, Mecklenburg PTA Council has gathered together several sources of information and advice about PTA insurance.

After reading these short general excerpts, we suggest you return to the full referenced PTA document to determine what may be appropriate for your local PTA unit. We also suggest that you are clear on what actions must be taken by the PTA in order to file and collect a claim in the event of a problem.

From “President’s Handbook” NCPTA

INSURANCE

NCPTA recommends that each PTA obtain liability or other insurance appropriate to its needs for the programs it conducts during the year, especially projects or activities that may result in potential hazards for PTA members, schoolchildren or other third parties. (NCPTA offers information on group insurance to its units — (see AIM Insurance Logo on our website.) In some instances, school boards may add PTA units as “named insured” in the school board’s liability policy. However, generally school district liability insurance does not extend to PTA units. There may be local insurance agencies which can offer local units the needed policy. Such liability may be purchased either on a continuous year-round basis or on a one-time basis for special events such as fairs or carnivals.

From National PTA “Money Matters” Financial Handbook

Bonding Insurance

Although bonding may not be required in the bylaws of the association, **it is in the best interest of the PTA for the treasurer and all other individuals authorized to handle funds and securities of the organization to be covered by a fidelity bond in the amount determined by the executive committee.** The expense of such insurance should be borne by the PTA.

A fidelity bond covers losses sustained by a PTA through any fraudulent or dishonest act or acts committed by any of the employees or noncompensated elected officers and their successors or any noncompensated person who is authorized by an officer to handle PTA monies acting alone or in conspiracy with others. Such a policy should be secured from a reliable insurance company.

Liability Insurance

General

PTAs should consider their need for liability insurance when there are projects or activities that may result in potential hazard for PTA members, schoolchildren, or other third parties.

Commercial general liability insurance provides coverage for a PTA's legal liability arising from bodily injury, personal injury (false arrest, libel, slander, and other defined injuries), advertising injury, and property damage that results from the PTA's activities and operations. Such insurance coverage may be purchased either on a continuous, year-round, comprehensive coverage basis, or on a one-time basis for special events. Generally speaking, **school district liability insurance does not extend to PTAs or their activities.**

Auto

Before undertaking responsibility for transporting schoolchildren in private automobiles, PTAs should investigate the PTA and school district insurance policies, as they may apply to the liability of parent drivers on field trips/activities.

Directors and Officers

Directors and officers (D&O) liability insurance provides protection for claims arising out of the wrongful acts of directors and officers (in making policy and managing the affairs of the unit) that do not fall under the definition of physical injury. Examples of D&O liability claims include

- Discrimination based on age, sex, race, national origin, disability, etc.;
- Improper employment termination;
- Breach of contract, e.g., contract disputes with customers, vendors, suppliers, or service providers; or
- Mismanagement of organization funds.

D&O liability insurance may provide coverage for the defense costs resulting from covered claims.

Occurrence or Claims Made Insurance Coverage

Under a *claims made policy*, a claim is covered under the insurance policy in effect when the claim was made against the insured, no matter when the injury occurred. Under an *occurrence policy*, the claim is covered under the policy that was in effect at the time of the event, even if the claim is brought many years after the injury has happened.

From “Tips for PTA Treasurers”

Do you have insurance?

NCPTA recommends AIM Insurance. They offer General Liability, Accident Medical, Bond, Property and Officer's Liability Insurance. For more information you can either go to www.NCPTA.org or call AIM at 1800-876-4044

From NCPTA's "Dollars and Cents"

BONDING AND INSURANCE

Although not required, it is certainly in the best interest of your PTA to secure insurance from a reputable agency to protect the unit's officers, members and volunteers, as well as its assets. Many school systems require groups using their facilities to provide proof of liability insurance before the group is granted permission to use the space. Check with your local school system for their policy.

The expense of such insurance is a legitimate PTA budget item. Contact the State PTA Office for information on how to obtain the following types of insurance:

- **Fidelity Bonding** – protection for the unit's funds against dishonesty;
- **General Liability Insurance** -protection for the PTA members and volunteers against liability suits that may arise if someone is injured or someone's property is damaged at a PTA activity;
- **Association Professional Liability Insurance** – protection for PTA officers against personal liability arising from alleged mismanagement, wrongful acts, and misrepresentation of the PTA;
- **Property Insurance** – protection for any property that the PTA has care, custody, or control of against damage or loss due to theft or natural hazard.

