

STATE PTA INSURANCE PROGRAM SUMMARY AND LOSS CONTROL GUIDE

**LIABILITY PLUS
BONDING PLUS
PROPERTY PLUS
DIRECTORS & OFFICERS LIABILITY PLUS
ACCIDENT MEDICAL PLUS**

INTRODUCTION

This summary presents a discussion about a General Liability, Blanket Crime, miscellaneous floating Property and Directors & Officers Liability insurance program, specifically created for the business of PTA. The loss control guidelines and safety tips are designed to assist leadership with the establishment and maintenance of a safe and prudent PTA business operation, for the benefit of children. They are also the direct result of 25 years of PTA *child injury* loss experience, PTA money losses, PTA property losses and PTA D&O losses. If you read this booklet cover to cover, you will begin to understand how you can better protect yourself, your PTA Unit, and your State PTA from the threat of financial loss and/or lawsuits.

R.V. Nuccio & Associates, Inc. is located in Fawnskin, California. Existing management has worked nationally with PTA since 1976, when this insurance program for PTA was originally inceptioned. This program of insurance products is insured by **FIREMAN'S FUND** (D&O by Westport/GE Capital), and was developed specifically for PTA's of all sizes, in any state or territory of the United States of America. This booklet is the intellectual property of R.V. Nuccio & Associates, Inc., and is copyright protected. Our national toll free number is **1-800-567-2685**.

TABLE OF CONTENTS

COVERAGE	I. LIABILITY PLUS	Page
	A. Personal Liability	03
	B. Who Is Insured	03
	C. What Is Insured	03
	01. Public Or General Liability	03
	02. Medical Payments	04
	D. Where Coverage Is Applicable	04
	E. When Coverage Is Applicable	04
	F. What Is Excluded	04
	01. General Liability Exclusions	04
	02. Medical Payments Exclusions	05
	G. Incident Reporting And Claims Handling	05
	H. School District Liability	05
	01. Additional Insured	05
	02. Premises Limitation	05
	03. Self-Insured Retention	05
	04. Separate Legal Entity	05
	I. Naming Other Entities/Committees On Your PTA Insurance	05
	J. Concessionaires Or Commercial Vendors	06
	K. Activities, Events, And Loss Control	06
	01. Athletic/Sports Activities Or Events	06
	02. Baby Sitting	06

03. Bake Or Food Sale	06
04. Block Parent Program	06
05. Candy Or Wrapping Paper Sales	07
06. Craft Fair	07
07. Crossing Guards	07
08. Day At The Fair	07
09. Enrichment Programs Academic	07
10. Enrichment Programs Athletic	07
11. Field Trips	07
12. Grad Night	07
13. Haunted House	07
14. Ice Skating And Roller Skating	08
15. Playground And Other Equipment Or Improvements	08
16. Rummage Sale	08
17. Walk-A-Thon Or Jog-A-Thon	08
18. Wine Tasting	08
L. Hazardous Activities	09
M. How To Obtain Liability Plus Insurance	09

COVERAGE II. BONDING PLUS

A. Leadership Personal Financial Responsibility	10
B. Who Is Insured	10
C. What Is Insured	10
01. Employee Dishonesty	10
02. Forgery Or Alteration	10
03. Theft, Disappearance And Destruction	10
a. Loss Inside The Premises	10
b. Loss Outside The Premises	10
D. Where Coverage Is Applicable	10
E. When Coverage Is Applicable	10
F. What Is Excluded	11
G. Incident Reporting And Claims Handling	11
H. Specific Requirements	11
I. Cancellation Of Coverage For A Specific Employee	11
J. Safety Tips	11
K. How To Obtain Bonding Plus Insurance	12

COVERAGE III PROPERTY PLUS

A. Owned, Loaned Or Borrowed Property	12
B. Who Is Insured	12
C. What Is Insured	12
D. Where Coverage Is Applicable	13
E. When Coverage Is Applicable	13
F. What Is Excluded	13
G. Claims Handling	13
H. Listing Items And Values	13
I. How To Obtain Property Plus Insurance	13

COVERAGE IV DIRECTORS & OFFICERS LIABILITY PLUS

A. Directors & Officers Liability (D&O)	14
B. Who Is Insured	14
C. What Is Insured	14

3/8/2008
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D. Where Coverage Is Applicable	14
E. When Coverage Is Applicable	14
F. What Is Excluded	14
G. Incident Reporting And Claims Handling	15
H. How To Obtain Directors & Officers Liability Plus	15

COVERAGE V ACCIDENT MEDICAL PLUS

A. Accident Medical	15
B. Who Is Insured	15
C. What Is Insured	15
D. Where Coverage Is Applicable	15
E. When Coverage Is Applicable	15
F. What Is Excluded	15
G. Incident Reporting And Claims Handling	16
H. How To Obtain Accident Medical Plus	16

COVERAGE I LIABILITY PLUS

A. Personal Liability

A PTA is a business, and a separate legal entity. As with any other business, it is held accountable to the public for its actions, or lack thereof, with which it interacts. The majority of this responsibility lies with current and past leadership, such as the directors and officers of a particular Unit. Even though an accident or occurrence is the result of unintentional negligence, it is, nonetheless, considered negligence. This condition oftentimes leads to an allegation or lawsuit, wherein the **Unit President**, and all other officers and directors of the Unit and State PTA, are personally and individually named, placing their **personal assets at risk** (home, vehicles, savings, attachment of future wages and earnings of both individual and spouse). Suits against Unit, Council, District and State PTA leadership can be totally groundless or false, but still require a costly and highly specialized defense (some in excess of \$250,000). If the lawsuit is not answered and properly defended, it is lost by default, and a judgment obtained against leadership. Responsibility to the public exposes the PTA and its individual leadership to an element of risk, which can be transferred to another through the use of public or general liability insurance.

B. Who Is Insured

Liability Plus is available to any PTA Unit wishing to purchase this liability protection. Coverage is extended to include any officer, director, member of the Unit Board of Managers or salaried employee. Coverage is also extended to any volunteer who is enjoined in suit with the PTA.

C. What Is Insured

01. Public Or General Liability

Simply stated, the policy covers any operation or PTA sponsored event on a blanket basis, except those events and coverage's specifically excluded. There is a \$1,000,000 limit per occurrence, with defense costs supplemental to that limit. There is no deductible, and coverage is **included** for the following:

- a. Bodily Injury Liability
- b. Property Damage Liability
- c. Personal Injury Liability (false arrest, detention, wrongful eviction or entry, libel, slander, violation of privacy; embarrassment or humiliation, mental or emotional distress caused by discrimination; malicious prosecution, abuse of process, plus others)
- d. Advertising Injury Liability (misappropriation of advertising ideas, infringement of copyright, title or slogan, plus others)
- e. Products Liability
- f. Host Liquor Liability
- g. Fire Legal Liability
- h. Contractual Liability (certain contracts only)

- i. Non-Owned/Hired Automobile
- j. Non-Owned Watercraft Liability (less than 26 feet in length)
- k. Molestation/Abuse Defense
- l. Named insured extended to include volunteers when enjoined with PTA

02. Medical Payments

Medical Payments protection is provided for any injured individual who was donating their service, at the time of the injury, for the benefit of the PTA, without receiving compensation of any kind. There is a \$5,000 per person, \$50,000 per accident aggregate limit. This is not a Medical Reimbursement nor an Accident policy. It is a liability policy meant to cover catastrophic situations. The Medical Payments coverage is used only as a shield to protect the liability coverage, and to avoid a lawsuit. The Medical Payments coverage should not come first in order of use, but instead should come third, following the individual's personal health insurance, and then the school district insurance. Do not solicit claims. **Do not offer to 'take care of' medical expenses**, as every claim or lawsuit exposes all PTA's within the state, to the possibility of having to pay higher premiums and/or loss of coverage. See subpart **G. Incident Reporting And Claims Handling**, or contact R.V. Nuccio & Associates, Inc. for guidance regarding incident reporting, *before* you talk to anyone.

D. Where Coverage Is Applicable

The geographic limitation of almost any insurance contract is described by its policy territory. The territory of this particular policy is the USA, its territories and possessions, Puerto Rico and Canada. There is no reporting requirement as to where a PTA event is to take place, provided it is within the definition of the policy territory.

E. When Coverage Is Applicable

The time limitation of almost any insurance contract is defined by its inception and expiration date and time at some specific location. This limitation is also known as the policy period, which in this instance is one calendar year, or a prorated portion thereof, depending upon the expiration date of your State PTA. Provided a covered accident or occurrence takes place within the policy period (Claims Made coverage is based upon claim report date), there would be coverage, unless specifically excluded. Also, as in the territory limitation mentioned above, there is no reporting requirement as to when an operation or event is to take place, provided however, it is within the policy period. As leadership in the Unit changes, **care should always be taken to see that the coverage is renewed each year**, and that the complete insurance file is passed on to the new administration.

F. What Is Excluded

This program has specific exclusions usual to this form of liability insurance. It must be understood that this booklet is only a summary. It is **not** all inclusive, nor does it alter or waive any of the actual policy language. Questions regarding these exclusions, or this summary, should be directed to R.V. Nuccio & Associates, Inc.

01. General Liability Exclusions

There is **NO** coverage, or coverage is excluded for:

- a. Owned Automobile Liability
An owned auto is defined as any auto that is owned in part or in full by, or registered to, any PTA or group entity.
- b. Owned Watercraft Liability
An owned watercraft is defined as any watercraft that is owned in part or in full by, or registered to, any PTA or group entity.
- c. Non-Owned Watercraft Liability
Any non-owned watercraft 26 feet in length or longer. Graduation parties on watercraft must obtain coverage from the owner of the watercraft.
- d. Owned And/Or Non-Owned Aircraft Liability
This exclusion pertains to any type of aircraft, including but not limited to, **hot-air or lighter-than-air balloons**.
- e. Property damage to any real or personal property which is owned by, or in the care, custody or control of the PTA or group. Coverage for most property that fits this category, may be purchased under the Property Plus coverage option delineated within this booklet.
- f. Any type of excavation or construction involving excavation.
- g. Any and all sums that would be recoverable under a Workers' Compensation insurance contract, whether or not such contract exists.

02. Medical Payments Exclusions

There is **NO** coverage, or coverage is excluded for:

- a. Suicides
- b. Injuries arising from any aircraft.
- c. Injuries arising from participation in an **athletic or sports event of any kind**.
- d. Dental treatment other than to natural teeth.
- e. Unauthorized special nursing.
- f. Eyeglasses, contact lenses, trusses or artificial limbs.
- g. Any and all sums that would be recoverable under a Workers' Compensation insurance contract, whether or not such contract exists.

G. Incident Reporting And Claims Handling

Standardized Incident Report forms are provided upon request. When an incident occurs, the report is completed by an officer of the organization and mailed directly to R.V. Nuccio & Associates, Inc. The Incident Report is **not** a claim. It is a notification of an occurrence, and a **confidential** business communication between the PTA and R.V. Nuccio & Associates, Inc. This form must not be completed by the injured party and is instead, to be submitted without the knowledge of the injured party. Do not solicit a claim. **Do not promise coverage**. When an incident occurs, contact R.V. Nuccio & Associates, Inc. for guidance **before** you talk to anyone. We are committed to spend the time necessary to keep you out of trouble, and to keep this insurance program affordable.

H. School District Liability

A PTA will sometimes have a tendency to rely upon school district liability insurance for protection. This has proven to be unsafe, as current claims exist, wherein school districts have filed **cross-complaints against the PTA and its leadership**. The following is a discussion of several points which should be considered.

01. Additional Insured

Some school districts will add a PTA to their liability policies an additional insured. Areas of a potential problem are:

- a. There could be no coverage for claims or lawsuits that arise from activities held independently, or outside of school district operations.
- b. There could be no coverage for claims or lawsuits that do not also name the school district in the lawsuit.

02. Premises Limitation

Some school district policies limit coverage to specific district premises such as school grounds. Because of this restriction, PTA would have no protection from suits arising from activities held off school premises.

03. Self-Insured Retention

School districts, depending upon their size and financial strength, will sometimes carry what is termed a SIR, or Self-Insured Retention on the district liability policy. This SIR acts as a **deductible**, and is paid by the district in the event of a loss. If a PTA is named on a school district policy that contains a SIR, the PTA may be held responsible for the payment of this deductible in event of a loss. A SIR can range from **\$250,000** to **\$1,000,000** or more **per loss** or claim.

04. Separate Legal Entity

A school district and a PTA comprise two distinct legal entities, and have separate legal responsibilities not involving both. Negligence committed by one, does not necessarily mean negligence committed by the other. Therefore, both entities cannot be provided adequate protection under the same liability policy.

I. Naming Other Entities/Committees On Your PTA Insurance

PTA and booster clubs, grad night committees or other community organizations represent different legal entities, much like a school district and a PTA, and cannot be properly protected under the same insurance policy. This condition exists whether or not the PTA sponsors and/or co-sponsors another organization, and can only be remedied by obtaining separate and individual coverage for the booster club, grad night committee or other community organization. Every time you name another entity on your policy, you have agreed to share your limit of liability, and to defend that other entity should a lawsuit arise. **Do not let any other entities or separate committees use you for your insurance**. Protect your insurance and use it only for **your** PTA. How you operate your Unit, will effect all of the PTA Units within the state, and the State PTA.

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J. Concessionaires Or Commercial Vendors

A concessionaire or commercial vendor, is a person (or organization) who has a for-profit attraction (such as a carnival amusement ride, skating vendor or food booth), that they will operate or conduct on behalf of the PTA for a percentage of the receipts, or for a specified sum of money. Such a person (or organization) is an independent contractor. The PTA is protected against claims or suits arising out of the operations (unless excluded) of these independent contractors. However, the independent contractor is afforded NO protection under the PTA policy and should, in fact, provide the PTA with a Certificate Of Insurance. This Certificate Of Insurance should show that the independent contractor/vendor has **in-force** liability insurance with limits of a least \$1,000,000, and it should also name your PTA Unit and the State PTA as Additional Insured's. The independent contractor will sometimes attempt to charge the PTA for the cost of this Additional Insured endorsement which must be added to their insurance policy. Because they are about to earn a profit, the price is negotiable, or if you are very convincing, the cost of the endorsement can be absorbed by the independent contractor. If the independent contractor/vendor is unable or unwilling to provide a Certificate Of Insurance naming the **PTA Unit** and the **State PTA** as **Additional Insured's**, you would be extremely wise and prudent to find another concessionaire, commercial vendor, or independent contractor.

K. Activities, Events, and Loss Control

Following is a list of common activities and the loss control methods used to **reduce potential liability**. Follow these guidelines and you will be operating your PTA in a prudent manner. Of course this list is not all inclusive, so contact R.V. Nuccio & Associates, Inc. at 1-800-567-2685 for guidance relative to an activity or event that is not mentioned. We have been successfully advising PTA for **over 25 years**, and are committed to safety, and to this loss control concept.

01. Athletic/Sports Activities Or Events

Athletic, sports, and physical type activities or events represent **extremely high potential liability** to the PTA, and have a very high child and adult injury incident rate. These types of activities are **excluded** from the Medical Payments section of the policy but are not excluded from the Liability section. This means that the insurance policy **will not pay** for medical expenses resulting from an athletic/sports injury, but the policy will defend the PTA against a covered negligence lawsuit. Notify the parents prior to the event that you do not have any medical payments protection and that medical expenses will have to be paid by the parent. Be aware that school districts will sometimes drop their sports or athletic programs because of the lack of funding or the extreme liability exposure. You are advised to fund these programs for the school district by donation, and not to run them directly as a PTA activity. Types of activities referred to within this section include aerobics, baseball, basketball, cheer leading, football, gymnastics, martial arts, swimming, tennis, track and field, and volleyball, or any event or enrichment class involving physical activity. Skating, Walk-A-Thon and Jog-A-Thon are addressed separately within this booklet.

02. Baby Sitting

This activity must take place **only at PTA meetings** on school grounds. The acceptable criteria includes that the parents must be close by and on campus at all times, that there are at least **two adults** (both over 18 years of age) in attendance at all times, that you do not change diapers, and that all hot fluids are kept outside of the baby sitting room or area. Because this activity carries a significant **molestation/abuse** exposure, the two adult rule has been established for the protection of the volunteer, or employed baby-sitter. The second adult is a witness, which acts to alleviate groundless or false claims.

03. Bake Or Food Sale

This event should be held on school grounds. You should advise the contributing parents in writing, to take care in the preparation and storage of the food to be sold. Place special emphases upon the preparation and storage during transportation, of food items that are salmonella contamination prone, including but not limited to, chicken, beef, or food items that contain milk products or mayonnaise. Relative to baked goods, advise the parents not to use any type of hard candy as top decoration. This will damage teeth.

04. Block Parent Program

The McGruff or similar type program only, is acceptable, as these programs are controlled by organizations other than the PTA, and involve the use of Federal and local police authorities. This activity carries with it a high probability of kidnap, molestation and child abuse.

05. Candy Or Wrapping Paper Sales

You are advised to notify the parents in writing, not to allow the children to sell the items door-to door, and instead to sell to family and friends only. If the children are allowed to sell door-to door, this activity carries with it a high probability of kidnap, molestation and child abuse.

06. Craft Fair

This event should take place on school grounds, and involves the sale of items that the children can give to their parents as Holiday gifts. You are advised not to sell any items that will pass through a Child Choke Testing Tube. You are also advised to appoint a volunteer parent that is an engineer, as the safety committee chairperson.

07. Crossing Guards

You are advised to fund a crossing guard program for the school district and not to actively participate in the guard program, or any program that involves the control of vehicle traffic. PTA has had several child deaths resulting from this activity.

08. Day At The Fair

This carnival type activity should be held on school grounds only. You are advised against the use of Dunk Tanks, Flushem, Moon Bounce, or any type of animal ride. PTA has incurred several severed hands and fingers, spinal injuries, and permanent brain damage injuries resulting from these devices or activities. Use the Sponge Toss in lieu of the Dunk Tank or Flushem, with safety goggles on the victim. Other amusement devices such as the Ferris Wheel, House of Mirrors, and the Roller Coaster are, for example, acceptable. See subpart **L. Hazardous Activities** for more information. Be sure to follow the guidelines mentioned previously within subpart **J. Concessionaires Or Commercial Vendors**. You are also advised to appoint a volunteer parent that is an engineer, as the safety committee chairperson.

09. Enrichment Programs-Academic

These education classes should be held on school grounds only. Because of a significant molestation/abuse exposure, you are advised to fund the classes for the school district and not to run them directly. If your Unit insists on being directly involved, the classes must be academic, and not athletic in nature, and you must have at least **two adults** (both over 18 years of age) in attendance at all times. Because of the **molestation/abuse** exposure, the two adult rule has been established for the protection of the volunteer, or employed teacher. The second adult is a witness, which acts to alleviate groundless or false claims. In addition to a General Liability exposure, you are also exposed to a Worker's Compensation situation, and potential IRS tax and penalty problems, both of which are outside of the scope of this liability coverage, or the other coverage's mentioned within this booklet.

10. Enrichment Programs-Athletic

See subpart **01. Athletic/Sports Activities Or Events**.

11. Field Trips

See subpart **12. Grad Night**.

12. Grad Night

This event may be held on school grounds, or at a local amusement park. Because of the exclusions on the Medical Payments coverage, and the potential bodily injury liability, you are strongly urged and advised, not to engage in any sports or athletic activity, or if your Unit insists, closely follow the guidelines found within subpart **01. Athletic/Sports Activities Or Events**. Maintain parent supervision at a 1 to 6 or better ratio, and beware of slam type dancing. Do not allow this to be an overnight event, unless at least one school employee is in attendance during the entire time, and is **in charge** of the entire event, with all other volunteers at the direction of, and reporting to that school employee. Keep security tightly controlled. The PTA is currently being sued for lack of supervision, which resulted from an altercation at a PTA Grad Night Dance. The student was rendered comatose, and claims permanent brain damage. If the event is to take place at a local amusement park, do not transport anyone by private passenger auto. Instead, arrange for chartered bus services through the school district. Plan for this event well in advance.

13. Haunted House

This event should take place on school grounds only. You are advised to appoint a volunteer parent that is an engineer, as the safety committee chairperson. Also, an inspection by the local fire department is a necessity.

14. Ice Skating And Roller Skating

This event is held at a local skating rink, or operated by a vendor on school grounds. If your Unit uses a local vendor, be sure that the vendor supplies you with a Certificate Of Liability Insurance for at least \$1,000,000 and that it names your local PTA and the State PTA as Additional Insured's. You are advised to notify the parents that there is no medical payments coverage for any type of athletic event, which includes skating. Medical expenses will have to be paid by the vendor, rink owner or the parent. You are also advised never to transport individuals to or from any event in private passenger autos, but instead to use chartered bus services available from the school district. Because of the supervision exposure, this event works best if the parents are required to bring the kids to the rink, and to stay there during the event. If the parents are not on site to supervise, any child that leaves the rink and is injured, will be your responsibility. There is an approximate one in five chance that someone will be injured while skating at this event.

15. Playground And Other Equipment Or Improvements

In addition to playground equipment, this advisory includes the procurement of any type of school equipment including but not limited to, computers, benches, tables, bike racks, desks, rugs or other furnishings, disaster kits, fencing, landscape, or other area improvements or betterment. These types of equipment or improvements will exist for up to 50 years, as will your liability exposure. You are advised to fund the purchase for the school district, and not to be involved in the purchase or installation of any of these items. **Do not purchase these items directly**, and then gift them to the school. Instead, give the school or the school district the necessary funds, and let them arrange for the purchase and installation. Make arrangements with the school prior to fund commitment, to make sure that the items will remain at your school. If you are about to make this type of donation, you have the power to negotiate. Use it. Over the years, PTA has been named in several lawsuits, which resulted from children being injured on PTA purchased and donated playground equipment and area improvements. The attorneys for the injured child have researched the school district records only to find PTA on the purchase order, thereby enjoining the PTA in the lawsuit. This has held true for PTA installations also. If parents desire to be involved in the installation, in an effort to reduce the cost, allow them to volunteer directly to the school, and not through the PTA. Do not identify the installation, **in any way** as a PTA project. Allow the installation to be a school project; organized, operated, directed, and controlled by a school employee(s).

16. Rummage Sale

This event should be held on school grounds. You are advised not to sell any used electrical, mechanical or electromechanical devices, nor any new or used flame generation devices, or flammable children's clothing. You are also advised to appoint a volunteer parent that is an engineer, as the safety committee chairperson. Have all items pre-inspected by this safety chairperson and eliminate from the sale, the items that are included within the above mentioned categories, or that are unsafe.

17. Walk-A-Thon Or Jog-A-Thon

This event must be held on school grounds. You are advised not to allow the parents to participate, except on a support basis, such as handing out fruit juice or counting laps. The parents are usually the ones to be injured at this event. You are also advised to notify the parents, in writing, that there is no medical payments coverage for any type of athletic event, which includes Walk or Jog-A-Thon. Medical expenses will have to be paid by the parent or the school district. A Release Form is in order with this event, which is usually available from your school district business manager. Also, ask the school to offer the parents Student Accident Insurance well in advance of this event.

18. Wine Tasting

This event is sometimes held at an individual's home. The homeowner must be advised to purchase a \$1,000,000 personal umbrella policy that will come first, in the event of a loss. Because this event involves the use of alcoholic beverages, and therefore a liquor liability exposure, be aware that if an individual consumes too much wine and is then involved in a traffic accident, the PTA and the homeowner will be named in a bodily injury lawsuit, should one arise. This event is not advised, however, if you insist, keep a tight control on the amount of wine or other alcohol that any individual consumes, avoid this event altogether, or have this event at an established local hotel or restaurant. They will have the necessary liquor liability coverage.

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L. Hazardous Activities

The following list represents activities hazardous to children or adults, to the PTA, or both. Losses from these activities could cause you and your State PTA to lose this insurance program. You are urged not to be involved on a sponsorship and/or co-sponsorship basis with any of these activities. The injuries mentioned below are the result of 26 years of PTA loss experience. Just because your Unit has had no problem in the past, do not assume that you will not or cannot have a problem in the future. These are safety issues involving children. Do **NOT** sponsor or co-sponsor the following activities.

01. Transportation

Transportation of anyone in private passenger automobiles. Use instead, chartered bus services from the school district. The school district bus service will have adequate insurance coverage and liability limits. You do not.

02. Watercraft

Activities involving watercraft. Your insurance coverage is very limited in this area and has a specific size restriction for non-owned watercraft. Owned watercraft coverage is specifically excluded from the policy. Call for guidance regarding Grad night parties on watercraft.

03. Aircraft

Activities involving aircraft, including hot-air and lighter-than-air balloons. Aircraft coverage is specifically excluded from the policy.

04. Bungee Jumping

Multiple injuries include deaths and broken backs with resulting permanent paralysis.

05. Darts Or Dart Games

Multiple injuries include permanent eye losses to the persons throwing the dart, to spectators, and to the persons operating the booth.

06. Dunk Tanks

This includes Flushem, flush tanks or any similar type homemade or manufactured device. Multiple injuries include permanent eye losses, permanent brain damage, permanent paralysis, hands severed at the wrist, tooth loss, and loss of fingers.

07. Moonwalk

This includes Castle Bounce, Astro Walk, Cosmo Walk or similar type bouncing or re-bound device. Multiple injuries include permanent eye losses, broken necks resulting in permanent paralysis, broken backs resulting in permanent paralysis, permanent brain damage, and tooth loss.

08. Animal Rides

This includes pony rides, elephant rides, or any similar type animal ride. Multiple injuries include broken necks resulting in permanent paralysis, broken backs resulting in permanent paralysis, permanent brain damage, broken ribs, and tooth loss.

09. Fireworks

This includes the use of fireworks, the sale of fireworks, commercial fireworks displays or similar type pyrotechnic display or device, including rocketry. Multiple injuries include permanent eye losses, permanent hearing losses, loss of arms, loss of hands, and 1st, 2nd, and 3rd degree burns.

10. Childcare

This includes daycare and Latch Key programs. Childcare represents a significant molestation/abuse exposure for which this program is not designed. It is a **requirement** of your insurance carrier, Fireman's Fund, that separate insurance be obtained for any type of daycare operation. Call for coverage specifications and guidance regarding how to obtain proper and adequate insurance for daycare operations.

11. Athletic/Sports

This includes athletic, sports, and physical type activities of any kind. These types of events and activities represent a significant child and adult bodily injury exposure. Avoid this type of event or follow the guidelines found within this booklet. For more information also see subparts **F.02. Medical Payments Exclusions; K.01. Athletic/Sports Activities Or Events; K.14. Ice Skating And Roller Skating; and K.17. Walk-A-Thon Or Jog-A-Thon.**

M. How To Obtain Liability Plus Insurance

This coverage can be obtained by calling R.V. Nuccio & Associates, Inc. at 1-800-567-2685.

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COVERAGE II BONDING PLUS

A. Leadership Personal Financial Responsibility

A PTA may operate on extremely limited capital and sufficient internal controls are sometimes lacking. In addition, PTA money is often kept in private homes overnight. Because of these conditions, group moneys derived from dues and fund raising activities are exposed to loss by dishonesty, forgery, alteration, theft, disappearance or destruction. When a money or financial loss does occur, which is all too often, it is not unreasonable for the general membership to expect **Unit leadership**, in the absence of insurance, to **personally fund the loss**. A PTA and its' leadership can either retain this exposure to financial loss and self-insure (not advisable), or transfer this exposure to another through the use of crime insurance.

B. Who Is Insured

Bonding Plus is available to any Unit, Council, or PTA District.

C. What Is Insured

This policy has three coverage's, each with a separate, per loss limit. The definition of employee has been enhanced to include any elected officer, committee chairperson (whether elected or appointed), or **any** member of the organization acting as a volunteer. There is no limit to the number of individuals or positions covered by this policy provided they are included within the definition of employee, as previously defined. A brief description of the coverage follows.

01. Employee Dishonesty

Provides protection for the loss of money, securities and other property resulting directly from one or more fraudulent or dishonest acts committed by an employee (as defined above) acting alone or in collusion with others.

02. Forgery Or Alteration

Provides protection for loss resulting from forgery or alteration of **outgoing** checks, drafts, promissory notes and similar instruments drawn against the Insured's accounts.

03. Theft Disappearance And Destruction

Provides protection for loss resulting from the causes of loss described in its title. This coverage is divided into two parts, each with its own separate per loss limit.

a. Part A Loss Inside The Premises

Provides protection for the loss of money and securities by the actual destruction, disappearance or wrongful abstraction thereof, within the premises. The definition of premises has been enhanced to include the interior of that portion of **any** building which is used by the insured while conducting business.

b. Part B Loss Outside The Premises

Provides protection for the loss of money and securities by the actual destruction, disappearance or wrongful abstraction thereof, outside the premises while being conveyed by a messenger, or while within the living quarters in the home of any messenger. The definition of messenger has been enhanced to include the Insured or **any** employee (as previously defined) who is duly authorized by the Insured to have the care and custody of the insured property outside the premises.

D. Where Coverage Is Applicable

The geographic limitation of almost any insurance contract is described by its policy territory. The territory of this particular policy varies with its' three coverage's, but in each instance does include any of the States of the United States of America, the District of Columbia, the U.S. Virgin Islands, Puerto Rico, the Canal Zone and Canada. Contact R.V. Nuccio & Associates, Inc. for specific territory interpretations.

E. When Coverage Is Applicable

The time limitation of almost any insurance contract is defined by its inception and expiration date and time (at some specific location). This limitation is known as the policy period, which in this instance is one calendar year or a prorated portion thereof, depending upon the expiration date of your State PTA. There is also a discovery period which extends beyond the expiration date of the policy. This discovery period is one year from the end of the policy period with the provision that the loss, or the occurrence or act that gave rise to the loss, occurred during the policy period. Contact R.V. Nuccio & Associates, Inc. for specific discovery period or loss scenario interpretations.

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F. What Is Excluded

This program has specific exclusion usual to this form of crime insurance. It must be understood that this booklet is only a summary. It is **not** all inclusive, not does it alter or waive any of the actual policy language. Questions regarding these exclusions or this summary, should be directed to R.V. Nuccio & Associates, Inc. There is **NO** coverage, or coverage is excluded for:

01. Losses, the proof of which is dependent upon an inventory or profit and loss computation.
02. Losses due to war, whether declared or not, war like action, civil war, insurrection, rebellion or revolution, or any related act or incident.
03. Losses due to accounting or arithmetical errors or omissions.
04. Moneys in coin-operated vending machines or amusement devices.
05. Losses to property in an armored vehicle or messenger service.
06. Losses (except money or securities) due to fire.
07. Losses resulting from extortion.
08. Interest, dividends, or other income resulting from a money loss.
09. Damages of any type for which the insured is legally liable. Legal expenses are also excluded.
10. Costs, fees, and other expenses incurred by the insured in establishing the existence of or amount of a loss covered under this policy.
11. Losses resulting from the use or sale of supermarket or other type of scrip.

G. Incident Reporting And Claims Handling

A standardized Proof Of Loss form is provided upon request. When a loss is discovered, the form is completed **confidentially**, by an officer of the organization and mailed directly to R.V. Nuccio & Associates, Inc. Leadership is responsible for filing a Proof Of Loss form within four months after the discovery of a loss, or of an occurrence which may give rise to a claim for a loss. A PTA money loss can easily lead to a slander lawsuit if not handled properly. Do **NOT** make any accusations, neither verbally nor in writing, and instruct your Board accordingly. Contact R.V. Nuccio & Associates, Inc. for guidance **before you say anything to anyone**.

H. Specific Requirements

Bonding Plus contains specific leadership compliance requirements known as the RVNA Warranty System, which acts to increase financial control, and to reduce exposure to financial loss. This system is **NOT** optional and forms a part of the actual insurance contract. **Violation of a Bonding Plus warrant, negates Bonding Plus coverage.** Group leadership warrants that the following procedures will be installed and maintained.

01. There will be dual, unrelated signatures required on all outgoing checks.
02. There will be no pre-signing of checks.
03. There will be a monthly bank reconciliation (re-balancing of the checkbook) performed by an organization officer (such as the President or Vice President) other than that officer (usually the Treasurer) normally responsible for banking functions. (This warrant forces discovery of deposits that have not been made, from accumulating over a period of months or years.)

I. Cancellation Of Coverage For A Specific Employee(s)

The employee dishonesty coverage contains a condition that **immediately** cancels any **future** coverage for any employee (as previously defined) upon discovery by the Insured, or an officer or director, of any dishonest act committed by that employee, either before or after becoming an employee of the insured PTA. This condition is common to this type of coverage. Coverage is also excluded for any employee for whom similar prior insurance has been canceled.

J. Safety Tips

01. After a fundraiser, do all in your power to make a deposit at the bank. Do not go alone, or ask your local law enforcement agency to escort you to the bank. You must always assume that someone will follow you. This procedure is for your protection as a messenger, as several robberies have occurred with resulting bodily harm to the messenger.
02. Do not place your deposits in the trunk of your car, and then leave the car unattended to pick up items at a local store. You must assume that someone will follow you. The deposit will not be there upon your return to your damaged vehicle. Go directly to the bank.

3/8/2008
PTAN040A

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03. If, for some reason, you are not able to deposit directly to the bank, do not take the money home, and then go out for dinner. You must assume that someone will follow you. This will expose your children to bodily harm from a burglary. Also, make the deposit the very next day. Do not leave the deposit in the closet, in a shoe box, in your home, any longer that absolutely necessary. Cash has a strange way of disappearing over time.
04. **Leadership is responsible** for checking with the person designated to make the deposit (the messenger), to be sure that the deposit has been made, at the very latest, the next day. An officer, other than the messenger, should know the amount of the deposit, and should verify that the deposit has been made by checking the bank statement for that month (see warrant number 03).

K. How To Obtain Bonding Plus Insurance

This coverage can be obtained by calling R.V. Nuccio & Associates, Inc. at 1-800-567-2685.

COVERAGE III PROPERTY PLUS

A. Owned, Loaned Or Borrowed Property

A PTA will sometimes own, loan or borrow miscellaneous property used in the operation of a Unit, Council or District. Just as you would protect your own personal or business property with property insurance, you would likewise protect PTA property. It is the responsibility of leadership to see that this property is properly insured against loss due to fire, lightning, windstorm, theft, earthquake, flood, vandalism, and other perils. A PTA and its' leadership can either retain this exposure to property loss and self-insure (not advisable), or transfer this exposure to another through the use of property insurance.

B. Who Is Insured

Property Plus is available to any Unit, Council or District PTA.

C. What Is Insured

Property Plus is a customized type of floater property coverage. It insures the property items listed on the application, up to the specified value, against all risks of direct physical damage from any external cause, except those that are specifically excluded. This coverage is provided on a **replacement cost** basis (**new for old**), and contains a \$250 per loss deductible. Following is a list of some of the items which can be insured by Property Plus. Of course this list is not all inclusive, so contact R.V. Nuccio & Associates, Inc. for guidance regarding items not mentioned.

- | | |
|---|---|
| 01. Adding Machines | 19. Office Equipment |
| 02. Audio Recorders | 20. Other Items/Stock Held For Sale |
| 03. Audio Tape Library | 21. Overhead Projectors |
| 04. Audiovisual Equipment | 22. Posters And Signs |
| 05. Book Library | 23. Printers |
| 06. Cameras | 24. PTA Meeting Equipment |
| 07. Carnival Booths | 25. Puppets |
| 08. Carnival Equipment | 26. Record Library |
| 09. Coffee Makers | 27. Sports Equipment |
| 10. Coin And Stamp Collections | 28. Stocks Of Printed Material For Sale |
| 11. Computers | 29. Storage Containers |
| 12. Copiers | 30. Tables And Chairs |
| 13. Film Library | 31. Telephone Equipment |
| 14. Film Projectors | 32. Theatrical Props |
| 15. Fine Arts | 33. Typewriters |
| 16. Items loaned to PTA | 34. Video Library |
| 17. Jewelry For Sale by PTA | 35. Video Recorders |
| 18. Musical Instruments Owned Or Rented | 36. Uniforms And Costumes |

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D. Where Coverage Is Applicable

The geographic limitation of almost any insurance contract is described by its policy territory. The territory of this particular policy is within the 48 contiguous states of the United States of America, the District of Columbia, and within the states of Alaska and Hawaii. Coverage is provided for the property listed on the application **wherever** that property may be located, provided the listed property is within the policy territory.

E. When Coverage Is Applicable

The time limitation of almost any insurance contract is defined by its inception and expiration date and time (at some specific location). This limitation is known as the policy period, which in this instance is one calendar year or a prorated portion thereof, depending upon the expiration date of your State PTA.

F. What Is Excluded

This program has specific exclusions usual to this form of property insurance. It must be understood that this booklet is only a summary. It is **not** all inclusive, nor does it alter or waive any of the actual policy language. Questions regarding these exclusions, or this summary, should be directed to R.V. Nuccio & Associates, Inc. There is **NO** coverage, or coverage is excluded for:

01. Property not specifically and properly listed on the application.
02. Losses greater than the replacement value of the property.
03. Losses greater than the limit of insurance assigned to an item and listed on the application.
04. Loss or damage caused by, or made worse by deterioration, inherent vice or latent defect.
05. Loss or damage caused by, or made worse by wear and tear.
06. Loss or damage caused by, or made worse by seizure or destruction of property by order of governmental authority.
07. Loss or damage caused by, or made worse by any weapon employing atomic fission or fusion or nuclear reaction or radiation, radioactive contamination, however caused.
08. Loss or damage caused by, or made worse by war, including undeclared or civil war.
09. Loss or damage caused by, or made worse by insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.
10. Loss or damage caused by, or made worse by illegal transportation or trade.
11. Loss or damage caused by, or made worse by a dishonest act of an employee (see Bonding Plus).
12. Loss or damage caused by, or made worse by the neglect of the insured to reasonable protect the property from a disaster or neighboring fire.
13. Loss or damage to fine arts caused by, or made worse by:
 - a. repairing, restoration or retouching
 - b. breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains, and similar fragile articles, unless caused by fire, lightning, aircraft, theft, etc.
 - c. exhibition at fair grounds or on the premises of any national or international exposition, unless such event is covered by endorsement to this policy.

G. Claims Handling

A standardized Proof Of Loss form is provided upon request. When a loss is discovered, the form is completed by an officer of the organization and mailed directly to R.V. Nuccio & Associates, Inc.

H. Listing Items And Values

It is essential that all items to be insured are specifically and individually listed on the application, with replacement value (not actual cash value) assigned to each. Replacement value is what you would pay today for a brand new item. It is not necessarily what you paid when you originally bought the item.

I. How To Obtain Property Plus Insurance

This coverage can be obtained by calling R.V. Nuccio & Associates, Inc. at 1-800-567-2685.

COVERAGE IV DIRECTORS & OFFICERS LIABILITY PLUS

A. Directors & Officers Liability (D&O)

Directors & Officers Liability is sometimes referred to as **D&O**, Association Professional Liability, management malpractice or as in this case, Directors & Officers Liability Plus. D&O picks up where Commercial General Liability (known within this booklet as **Liability Plus**) leaves off. Each coverage provides defense and judgment insurance protection for a different set of third party liability claims or exposures. Said another way, D&O excludes that which is normally covered by a Commercial General Liability policy such as Liability Plus, and Liability Plus excludes that which is normally covered by a D&O policy such as Directors & Officers Liability Plus. Whereas Liability Plus provides third party liability insurance protection for covered losses resulting from an actual or alleged Bodily Injury, Property Damage, Personal Injury or Advertising Injury, Directors & Officers Liability Plus provides third party liability insurance protection for covered losses resulting from an actual or alleged **error or omission, misleading statement or breach of duty**.

B. Who Is Insured

Directors & Officers Liability Plus is available to any PTA Unit wishing to purchase this D&O liability protection. The following are Insureds under the policy:

01. The PTA Unit as an entity.
02. Any:
 - a. Director; or
 - b. Officer; or
 - c. Trustee; or
 - d. Employee; or
 - e. Volunteer; or
03. The estates and lawful **spouses** of those individuals mentioned in number 2 above.

C. What Is Insured

The policy provides (subject to policy language) Claims Made Directors & Officers Liability insurance protection up to \$1,000,000/\$1,000,000 per occurrence/annual aggregate. Policy highlights include:

01. Wrongful Act coverage including:
 - a. error or omission
 - b. negligent act
 - c. misleading statement
 - d. breach of duty
02. Employment Practices Liability coverage
03. Separate limit per PTA Unit (limit **not** shared with other PTA Units)

D. Where Coverage Is Applicable

The geographic limitation of almost any insurance contract is described by its policy territory. The territory of this particular policy is worldwide provided that the suit or proceedings are brought within the United States, including its territories and possessions, or Canada.

E. When Coverage Is Applicable

The time limitation of almost any insurance contract is defined by its inception and expiration date and time at some specific location. This limitation is also known as the policy period, which in this instance is one year.

F. What Is Excluded

This program has specific exclusions usual to this form of Claims Made Directors & Officers Liability insurance. It must be understood that this booklet is only a summary. It is **not** all inclusive, nor does it alter or waive any of the actual policy language. Questions regarding these exclusions or this summary, should be directed to R.V. Nuccio & Associates, Inc.

There is **NO** coverage, or coverage is excluded for loss or claims arising out of :

01. Unjust enrichment, obtaining profit or advantage to which the Insured was not entitled.
02. Any criminal, malicious, fraudulent, knowingly wrongful, or dishonest act or omission.

- 03. Bodily Injury (see Liability Plus)
- 04. Property Damage (see Liability Plus)
- 05. Personal Injury (see Liability Plus)
- 06. Year 2000 computer failure
- 07. Nuclear exposures
- 08. Pollution exposures
- 09. Securities Exchange Commission exposures
- 10. Employee Benefit plans
- 11. Government grants

G. Incident Reporting And Claims Handling

Directors & Officers Liability Plus is written on a **Claims Made** policy form. It is not Occurrence policy form coverage. The coverage trigger is based upon the claim report date and not the date of incident. It is **extremely** important that any claim, incident, loss, suit or threat or hint of any of these be reported immediately to R.V. Nuccio & Associates, Inc. before you talk to anyone. Call 1-800-567-2685.

H. How To Obtain Directors & Officers Liability Plus

Complete the Enrollment Form found at www.rvnuccio.com.

COVERAGE V ACCIDENT MEDICAL PLUS

A. Accident Medical

Accident Medical Plus is medical expense insurance which will sometimes help to avoid a lawsuit. The theory is that if their medical expenses are paid, an injured person will not sue. The Accident Medical Plus provides insurance coverage for out-of-pocket medical expenses resulting from an accident at a sponsored activity or event. Accident Medical Plus coverage was designed as a supplement to and not a replacement for Liability Plus, as it will cover certain medical expense claims which are not covered by the Liability Plus. Members, volunteers, spectators and participants have come to expect their medical expenses to be paid by the organization in the event of an accident. Liability Plus and Accident Medical Plus in combination provide the broadest coverage available.

B. Who Is Insured

Anyone injured while attending a covered sponsored supervised organization activity or event.

C. What Is Insured

Coverage is provided for medical expenses incurred up to the selected limit while attending an organization sponsored activity or event.

D. Where Coverage Is Applicable

The geographic limitation of almost any insurance contract is described by its policy territory. The territory of this particular policy is the United States.

E. When Coverage Is Applicable

The time limitation of almost any insurance contract is defined by its inception and expiration date and time at some specific location. This limitation is also known as the policy period, which in this instance is one year.

F. What Is Excluded

This program has specific exclusions usual to this form of Accident Medical insurance. It must be understood that this booklet is only a summary. It is **not** all inclusive, nor does it alter or waive any of the actual policy language. Questions regarding these exclusions or this summary, should be directed to R.V. Nuccio & Associates, Inc.

There is **NO** coverage, or coverage is excluded for loss or claims arising out of :

- 01. Suicide, suicide attempt or self-inflicted injury;
- 02. Sickness, disease or infections;
- 03. Criminal activity;

04. War;
05. Military duty;
06. Intoxicants;
07. Drugs unless taken under the advice of a Physician;
08. Aircraft;
09. Stroke;
10. Losses covered by other insurance;
11. Speed contests; and,
12. Any type or kind of sport or athletic activity.

G. Incident Reporting And Claims Handling

It is **extremely** important that any claim, incident, loss, suit or threat or hint of any of these be reported immediately to R.V. Nuccio & Associates, Inc. **before** you talk to anyone. Call 1-800-567-2685.

H. How To Obtain Accident Medical Plus

Complete the Enrollment Form found at www.rvnuccio.com.

IMPORTANT:

It must be understood that this booklet is only a summary. It is **not** all inclusive, nor does it alter or waive any of the actual policy language. Questions regarding this summary should be directed to R.V. Nuccio & Associates, Inc. at 1-800-567-2685

Exclusive National Program Administrator:

R.V. Nuccio & Associates, Inc.
P.O. Box 307
Fawnskin, CA 92333
1-800-567-2685 Phone
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Insured By:

FIREMAN'S FUND INSURANCE COMPANY

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