Liability and Insurance for Volunteers

Optimizing Your Potential as a 4-H Volunteer
Purdue University
Cooperative Extension Service
Revised, Spring 2003
This presentation was designed to provide you with an overview of Purdue University’s major insurance coverage, as well as when, and how it applies to you as a volunteer.
Let’s begin with general liability insurance.

General liability insurance provides liability coverage for bodily injury or personal injury to third parties, (4-H members) as well as damage to their property, when such injury or damage is the result of Purdue’s negligent act or acts.

This should not be confused with medical coverage.
General Liability

Personal injury includes:
  – Defamation of character
  – Invasion of privacy
  – False arrest

“personal injury” includes:
  defamtion of character
  invasion of privacy, and
  false arrest
General liability coverage is in the amount of $25 million combined single limit, and coverage is for the university, its employees, and its volunteers.

- Coverage amount
  - $25 million combined single limit
- Who is covered?
  - The University
  - It’s employees
  - It’s volunteers
The coverage includes payments of claims or legal settlements, plus all defense costs.

Many claims are settled between the insurance company and the party making a claim. In those instances when claims proceed to litigation, the insurance company selects the legal counsel who will represent Purdue, as well as any employees and volunteers who are named in the action.

In all instances, both the insurance company and the legal counsel, in conjunction with Purdue’s Office of Risk Management will work directly with those employees and volunteers.

If an accident or injury occurs, or a lawsuit is threatened, immediately contact the extension office. Don’t wait!
Let’s turn next to auto liability insurance.

This insurance provides coverage for bodily injury to third parties, as well as damage to their property, when such injury or damage results from:

- the operation of a Purdue vehicle on official University business, or;
- the operation of an employee’s or volunteers’ personal vehicle on official University business.

The personal auto coverage carried by the employee or volunteer is ALWAYS PRIMARY! Purdue’s coverage would come into play only if, and when, the limits of that personal coverage were exhausted.
Auto Liability

• Coverage amount
  – $25 million combined single limit

• Who is covered?
  – The university
  – It’s employees
  – It’s volunteers

The coverage for auto liability is also in the amount of $25 million combined single limit, and again coverage includes the University, its employees, and anyone else who has been specifically approved by the University Risk Manager to operate a Purdue vehicle.

For employees and volunteers who operate their personal vehicles on official University business, this auto liability coverage is SECONDARY.
Auto Liability

- Coverage includes:
  - Payment of claims or legal settlements
  - All defense costs
- Claims process
  - IMMEDIATELY contact extension staff
  - Don’t wait!
  - NO physical damage coverage is provided for personal vehicles!!!
School Bus Liability

- This coverage has been terminated as of March 1, 2003.
- When there is a need to transport a group of youth to an event the following guidelines should be followed:
  - School buses owned by school corporations should be utilized whenever possible.
  - In the case of school buses owned by private individuals, a copy of the driver’s CDL license and proof of insurance is required. Indiana law requires that school bus drivers be insured with $5 million of coverage.
  - Private bus companies may be utilized. Proof of insurance from the company is required.
  - University policy must be followed if utilizing rented vans.
School Bus Liability and Alternatives

– When parents drive youth to events and activities:
  • Should encourage parents to arrange their own rides for their children.
  • Must obtain a photocopy of valid driver’s license and proof of insurance if one parent is to transport youth other than their own to events and activities. *Under no circumstances should personal vehicles carry more persons than the vehicle is designed for (a seat belt for each occupant).*
School Bus Liability and Alternatives

• Must not ask anyone under the age of 21 to serve as a driver and transport other youth to or from events and activities.

• Any person who refuses to provide a license and verification of insurance shall not be authorized by CES personnel to transport youth to events and activities.

• University Risk Management has required automobile liability limits in the amount of $100,000 per accident. Individuals are encouraged to obtain higher limits if they will be transporting youth.
Purdue does carry workers compensation, but it only covers paid university employees. Volunteers are not eligible for workers compensation through the Purdue University.

In accordance with Indiana law, workers compensation provides coverage for medical expenses and lost wages resulting from a job-related injury or illness.
Accident and Illness Coverage

- This can be purchased independently for county or club 4-H events and activities
- Provided through:
  - American Income Life Insurance Co.
  - Brotherhood Mutual

Let’s talk about the additional insurance coverage that we can purchase independently for trips and activities we take with 4-H groups.

Two companies in Indiana, The American Income Life Insurance company, and Brotherhood Mutual offer medical and accidental death and dismemberment coverage for 4-H youth and volunteers participating in approved activities.
This insurance covers youth and volunteers from the time they leave home, until they return home.

The insurance can be purchased on a per-activity basis or it can be taken out as a blanket policy for the entire year. The costs are very reasonable and we strongly recommend that counties, and or clubs purchase it.

If you opt for the blanket policy, the cost is $1 per year per member, and $2 for Horse and Pony members.

Remember that statewide events are covered by the state 4-H Department.
Directors and Officers Liability

- Consider if organization is involved with:
  - Decisions and issues not directly related to the mission of Purdue University or CES
- When uncertain, contact CES administration

Director’s and Officer’s Liability Insurance should be considered only if the members of the 4-H Council or Fairboard (or similar body) are involved with issues and decision making which are not directly related to the mission of Purdue University or the Cooperative Extension Service.

If there is any uncertainty as to whether the board is involved with issues and decisions directly related to the mission of the university, we recommend that a list of the board’s activities be made and submitted to CES administration who will consult with the Office of Risk Management for a final decision.
Coverage Concerns

- Purdue coverage is broad, but not everything can be covered
- Indemnification resolution
  - Coverage is in place as long as person is:
    - Acting in good faith
    - Acting within scope of his/her duties

Although Purdue’s coverages are very broad, not everything can be covered by commercial insurance policies.

In order to bridge that potential “gap”, the University Board of Trustees passed an “Indemnification Resolution.”

This document states that the University will protect an employee or volunteer against whom an action is brought so long as that person was acting within the scope of his/her duties and in good faith.

This assures coverage, including payment of defense costs, in the absence of insurance coverage.
Coverage Concerns

• Supervision of youth
  – Ratio of adults to youth
    • Mixed groups require both male and female chaperones
    • Discourage an individual adult from being alone in a room with a child
    • More than one adult with a group in case of an emergency

Supervision of youth can bring about areas of concern, especially in relationship to the “right” ratio of adults to youth.

There is no single “right” ratio which is appropriate for all activities. Here are a few guidelines:

Mixed gender groups require at least one adult of each gender.

Discourage an individual adult from being alone in a room with a child to reduce the risk of false accusations.

There should always be more than one adult with a group in case of an emergency.
Coverage Concerns

– Consider
  • The type of activity
  • Number of participants
  • Age of participants
– A common sense approach is best!
– MORE IS BETTER!

When considering the ratio of youth to adults you must take into account the:
  type of activity
  the number of participants, and
  the age of participants

The common sense approach is usually best. If there is any doubt, “more supervision is better than not enough.”
The 4-H Shooting Sports Education, Sport Fishing, and ATV Programs require that adults working in those efforts have specific training and certification.

All Shooting Sports and sport fishing activities must be conducted in compliance with State 4-H regulations in order for Purdue’s insurance coverage to apply. There are no exceptions to this policy.
Now, what about the overnight stays at the fairgrounds?

In order for Purdue’s coverage to provide protection to staff and volunteers for any incidents arising out of overnight stays at fairgrounds, the policy on overnight stays must be followed. This policy states that any 4-H youth staying overnight must be accompanied at all times by his/her parent or adult legal guardian.
Let’s sum up the insurance policies for volunteers.

For coverage to be in effect for you, you must have read and signed the Adult Behavioral Expectations Form (4-H 785), and have it on file in the extension office.

You will be covered by Purdue insurance as long as you:

- Were acting within the scope of authority
- Were acting in good faith, and
- Were acting under the direction of a Purdue University extension staff member.
Insurance Summary for Volunteers

- Recommended MINIMUM personal vehicle coverage
  - $500,000 per accident for bodily injury and property damage
  - Personal coverage is primary
  - Purdue’s is secondary

- NO medical coverage is provided

We would encourage you to check your personal auto coverage if you will be using your personal vehicle to transport 4-H members to meetings, events, or activities. The recommended amounts of coverage are a minimum of $500,000 per accident for bodily and property damage.

Remember that your personal insurance will be primary, and Purdue’s will be secondary.

Also, remember that there is no medical coverage provided for volunteers.
Questions????

Adapted from Indiana 4-H Youth Program: Liability and Insurance for Volunteers. R. McKee, 10/28/00.

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