

Frequently Asked Questions:

Does Your PTO Need Insurance?

P-T-O Council

Ann Arbor Public Schools
2555 South State Street
Ann Arbor, MI 48104

PTO Insurance

Q. “Does AAPS carry insurance that covers PTO activities?”

A. Any PTO or school sponsored events that take place on or off school property, both during and after school hours, are covered by the District’s General Liability Insurance, **if the Principal authorizes the activity.**

Q. “Should PTOs carry their own insurance?”

A. Your group may need additional coverage based on the types of activities in which your group engages. This FAQ sheet will address some scenarios to help you determine your needs.

Q. “We are hosting our annual Ice Cream Social. If a child is hurt on the moon bounce, are we covered under the district policy?”

A. Any PTO or school sponsored event that takes place on school property, both during and outside of school hours, are covered by the District’s General Liability Policy. Student, parent or public injuries are only covered under the District’s General Liability Insurance **if** the injury was caused by District negligence.

Q. “Are student, parent or public injuries covered?”

A. Student, parent or public injuries are only covered under the District’s General Liability Insurance **if** the injury was caused by District negligence.

Q. “What is the PTO responsible for when sponsoring events that take place off school property, during or after school hours?”

A. The PTO must obtain permission from the building Principal to hold the event. If the event is held off school property and parents are *not* in attendance, a student permission slip must be signed by the parent. If the Principal has questions about the activity, he/she should call the Operations Office at 994-2250 for assistance.

PTO or school sponsored events that take place on or off school property, both during and outside of school hours, are covered by the District’s General Liability Insurance, **if the Principal authorizes the activity.**

Q. “Our Treasurer cannot provide documentation for money that came into the PTO. If the money has been embezzled, are we covered by any insurance?”

A. PTO funds collected are solely the responsibility of the PTO and will not be covered under the District’s Insurance program. The PTO should purchase a crime policy (Employee Dishonesty) that protects the PTO from theft or embezzlement of funds collected from fundraising and other activities.

Frequently Asked Questions:

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Q. “Our PTO owns equipment, such as a popcorn machine and a copier. We also fundraise with wrapping paper. If there is an equipment failure or the wrapping paper is stolen or damaged, are we covered by any District insurance?”

A. Equipment owned by the PTO is not covered under the District’s Insurance program. The PTO should purchase Business Insurance, which would protect the property/equipment and fundraising merchandise owned by the PTO from a covered cause of loss such as theft. Equipment that fails is usually not covered under an insurance policy (Business Insurance), unless damaged by lightning or a power surge. Even then, many times, the deductible may be more than the cost of a new machine.

Q. “Several parents are very upset with decisions that the PTO officers have made. Parents are questioning the judgment of the officers who rented a blow up obstacle course for a Fun Night where a middle-schooler was injured. Could the officers be sued?”

A. Yes. Directors and Officers (D&O) need liability coverage. PTO Directors and Officers can be protected from potential lawsuits by purchasing Directors & Officers (D&O)

*cont...*Insurance for leaders who expose themselves to risks not approved and outside of their roles on behalf of the District. This coverage is truly an investment in the leaders of your group who expose themselves to greater risk.

Q. “Can PTOs join together and to buy insurance at a discount?”

A. Yes, we can!

The PTO Council is pursuing the possibility of a group insurance policy, which would cover all participating Ann Arbor Public Schools PTOs & PTSOs. This insurance would include fidelity bonds, property insurance and D&O coverage. The PTO Council will shop around for the best coverage and price for the benefit of all AAPS PTOs & PTSOs. Coverage will be for a one year term, beginning each new school year. Please contact your PTO Council representative if your group is interested.

For more information on the Ann Arbor Public School District’s liability policy check the PTO Council website:

http://www.aaps.k12.mi.us/ptoc.home/pto_council_home, under “Resources” for

“Ann Arbor Public Schools: PTO Insurance Coverage. What You Need To Know...”

Questions? Call the Operations Office at 734-994-2250 for assistance.