

~~ ACCIDENT PREVENTION ~~
INFORMATION
 JUNE 2013

CONGRATULATIONS TO THE CLASS OF 2013

SAVE THE DATE—2013 ACCIDENT PREVENTION SEMINAR

The Grand Lodge Insurance Department extends a warm welcome to all newly appointed state accident prevention chairmen. We look forward to seeing you and those who didn't attend last year's seminar at the 2013 Accident Prevention Seminar being held in Chicago on Saturday, November 2, 2013. Attendance forms and informational materials will be distributed to those expected to attend this year's seminar no later than September 1, 2013.

ACCIDENT PREVENTION "INFORMATION" NEWSLETTER

We ask that each State Accident Prevention Chairman make sure a copy of this newsletter is distributed to each local Lodge within their designated territories.

Also please note that all Lodge members now have access to this newsletter online at www.elks.org/resources/accident/.

**VOLUNTARY WORKERS COMP PROGRAM FOR LODGES
 (CAN INCLUDE VOLUNTEER COVERAGE)**

You may have already received or will receive a communication from Lockton Risk Services offering participation in a voluntary Workers Comp program. This program provides individually written policies that offer the following benefits:

- ◆ This program can provide rates on a lower level by using the "clubs not otherwise classified" rate, which is lower than the rates usually applied.
- ◆ There are no surcharges made under assigned risk plans or for small groups.
- ◆ Most importantly, coverage can be obtained for volunteers in most states if the Lodge chooses to do so.

Offering volunteer coverage may help those Lodges that were concerned by the fact that secondary medical payments were eliminated under the Master Liability Program. However, the following exceptions must be noted:

**Workers Comp Offered Through the State
 (Monopolistic States)**

- ◆ North Dakota
- ◆ Ohio
- ◆ Washington
- ◆ Wyoming

**States That Do Not Allow
 Coverage for Volunteers**

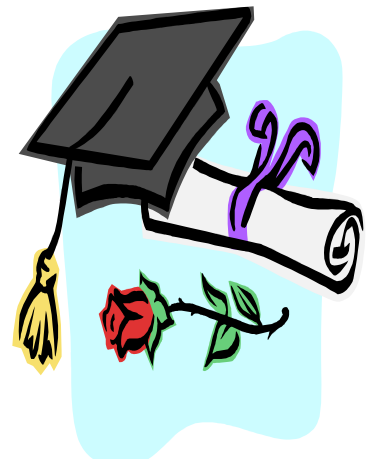
- ◆ Connecticut
- ◆ New Jersey
- ◆ Texas
- ◆ Wisconsin

It is recommended that all eligible Lodges obtain a quote to see if they would benefit from this voluntary program. Please contact **Lockton Risk Services at: 1-877-735-6349** with any questions.

Do not call the Elks Insurance Department or Aon Affinity Services.

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SEPARATE BONDS NOT REQUIRED

Under the crime coverage provided through the Property Plus Program, all officers, assistant officers, trustees, volunteers and employees have \$50,000 minimum coverage. This coverage provides protection for the Lodge, which makes obtaining independent bonds unnecessary.

In effect, the Lodge is covered for any defalcation by any person acting on behalf of the Lodge and/or any Lodge activities where a loss occurs.



POOL SAFETY

Lodges that have pools should comply with the following requirements:

1. Make sure that all state/local rules, requirements and procedures are followed.
2. When pools are open, there should be an adequate number of lifeguards present. These lifeguards must be properly trained and certified.
3. Lodges should have the means to control access to the pools, so that they can be properly secured when not in use.
4. Pools should have signs indicating that pool patrons swim at their own risk and that all minor children should be accompanied by parents or guardians.
5. Pools should remove diving boards and other such equipment, including slides.
6. Pools must be inspected on a frequent basis; any damaged or defective equipment and/or dangerous conditions must be addressed immediately.
7. At no time should swimmers be allowed to participate in dangerous activities, such as horseplay, running, diving in the shallow end, etc. Diving from the shallow end should be discouraged with absolutely no diving into depths less than nine (9) feet allowed.
8. If food is served, glass tableware should not be used.
9. Alcoholic beverages should not be served poolside.

USE OF LODGE FACILITIES

If the Lodge allows any outside group or individual to use the Lodge facility for any purpose, the Lodge management must refer to Pages 10-11 of the *Liability Insurance Program* Booklet (Lodges should adapt these instructions for use in a specific situation).

A written agreement developed along these lines must be used in every instance; an agreement that only deals with fees and services is not sufficient.

ATM MACHINES

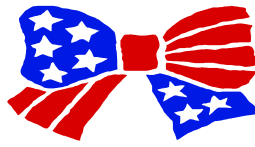
If a Lodge owns or is contractually responsible for an ATM machine in some way, Lodge management should note that the newly required changes for some transactions became effective on April 19, 2013.

Some credit card providers will require ATM machines to authenticate debit card transactions using computer chips rather than magnetic strips. Over time, it would seem this conversion will be required by most credit card providers.

If the Lodge has not made this conversion for those providers that already require it, the Lodge may become responsible for fraudulent transactions.

Lodge management should contact their machine's servicing agent for more information.





MASTER LIABILITY PROGRAM

By now, the 2013-2014 *Liability Insurance Program* policy booklet has been directed to all Lodge secretaries (also available at www.Elks.org). This booklet includes detailed information about the coverage provided under the Master Liability Program. Just as in prior years, the Master Liability Policy provides coverage to all Lodges as well as Lodge officers, volunteers, members and employees acting on behalf of the Lodge; however, please note there are some exclusions as follows:

— COVERAGES NOT INCLUDED —

Since the Program deals **solely** with Liability Insurance, there are a number of exposures which your Lodge or Association must evaluate and insure separately. Among them:

Fire, Extended Coverage and other perils on real and personal property.*

Damage to **Boiler**, Pressure Vessels, Air-Conditioning Systems and other Mechanical/Electrical Equipment.*

Directors and Officers Liability. (This type of coverage refers primarily to misjudgment in Lodge management or possibly to discriminatory practices.)**

Insurance on **Owned Vehicles**. No coverage is provided for any person for uninsured or underinsured motorists. This coverage has been excluded and rejected for vehicles of any type.

Owned Watercraft over 18 feet in length or any watercraft propelled by sail, engine power or electrical power regardless of length.

Non-Owned Watercraft over 52 feet in length.

Owned Aircraft.

Pollution Liability. This may be important to Lodges that have a potential for discharging any waste products in the environment, which utilize large amounts of chemical such as insecticides in their operations, or have underground fuel storage tanks. No coverage is provided for exposure to asbestos, lead or mold. (*Limited coverage is provided for golf courses under some circumstances.*)

Accident, health, life or disability, or any employee benefit coverage.

Employee Dishonesty (including required bonds on Lodge Officers).*

Robbery and Safe Burglary.*

Surety Bonds of any kind, including those required by federal, state or local governmental bodies.

Workers' Compensation.***

Liability for **tenants or independent contractors**.

(continued on Page 4)





MASTER LIABILITY PROGRAM *(continued from Page 3)*

Insurance on **personal autos, residences** or other **property of officers and members**, even if they are used occasionally for Lodge or Association business.

Employment Practice Coverage. (This coverage includes wrongful discharge, discrimination of all types and sexual harassment.)**

Claims arising from the **Business risk of operations** which do not involve bodily injury or property damage.

Breach of contract claims which do not involve bodily injury or property damage.

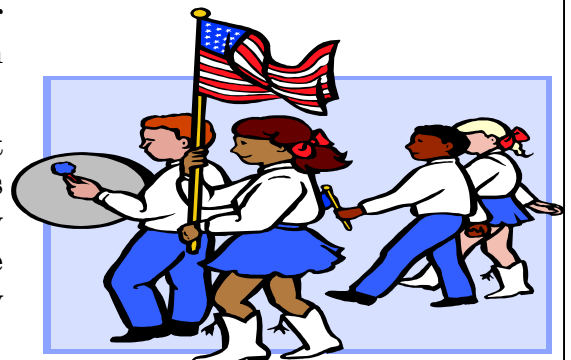
* Local Lodges must be covered in Grand Lodge Property Plus Program. (If coverage of this type is purchased by a Local Lodge.) [Section 4.232]

** Can be obtained through the voluntary program available to Local Lodges through Aon Affinity Services [The Elks Team] at 1-800-421-3557.

*** Can be obtained from Lockton at 1-877-735-6349.

Pertinent Exclusions & Limitations

- A. No coverage is afforded for state or national Ladies Auxiliary organizations.
- B. No coverage is afforded for claims alleging errors in judgment or mistakes in operations of either a Lodge or Club or employment practices.
- C. No coverage is provided for claims involving pollution or which are related in any way to asbestos, lead or mold. *(Except the limited coverage afforded for golf courses.)*
- D. No coverage is provided for bodily injury or personal injury to an employee, former employee, or applicant for employment arising out of their employment for an Insured or caused by another employee of the Insured.
- E. To any obligation for which the Insured or any carrier as his Insurer may be held liable under any workers compensation, unemployment compensation or disability benefit law, or under any similar laws. *(It is strongly recommended that all Lodges independently obtain a minimum premium workers' compensation coverage, even if they have no permanent employees.)*
- F. No coverage is provided for claims of libel or slander by membership candidates arising out of the membership selection process at the Local Lodge level.
- G. Bodily injury or property damage arising out of the use of mobile equipment *(including, but not limited to, all terrain vehicles, dirt bike motorcycles, lawn mowers, utility vehicles)* in competition or racing events or in practice or for general recreational use or stunting or in preparation for such activities.
- H. Coverage under the Master Liability Program may not be provided to any insured entity or person that does not cooperate in the investigation and defense of any claim made under the Program or in the case of failure to provide all notices or legal complaints in a timely fashion to the claims administrator.



LIFE SAFETY IN LODGES



In areas occupied or used by members or guests, Lodges should have appropriate safety devices such as fire, smoke and carbon monoxide detectors. If a Lodge owns any facilities that are rented or used by individuals as living quarters, these same devices should be provided (in some jurisdictions, it is the law).

Furthermore, all facilities should be free from lead paint and asbestos exposure (any claims alleging injury from these sources are not covered under the Master Liability Program).

Entrances and exits must be properly constructed/configured; they must also be easily accessible and clearly marked. In every case, all fire safety provisions, zoning codes, and construction codes must be complied with.

CHILD SUPERVISION

All Lodges should establish a strictly enforced policy that children of members and guests are to be properly supervised while on Lodge premises. Children should not be allowed to roam free throughout the Lodge or its facilities, including but not limited to the Lodge club areas, swimming pools, tennis courts, or any other recreational areas. It should also be a priority for all Lodges to comply with local laws by keeping minors out of areas where alcohol is being served. If members or guests refuse to comply with the Lodge's rules, these members or guests should be barred from using the facilities.

LODGE ACCIDENT PREVENTION MANAGERS

Section 12.070 of the Statutes of the Order require every Lodge to appoint an accident prevention manager. This must be done. This manager, along with any additional deputies, must utilize the *Accident/Claim Prevention Manual* and the *Liability Insurance Program Booklet* along with good common sense to assure that their Lodge operates in a safe and efficient manner. **THIS IS IMPORTANT.** (District Deputies will be checking for compliance.)

COMMUNICATION WITHIN THE LODGE

A big part of any accident prevention activity is communication, not only the communication from the State Accident Prevention Chairman to the Lodges but also communication within the Lodge (between its leaders and all members). To get the safety message out and to keep it constantly in mind, the members of the Lodge, especially the leaders, must communicate with each other. Too often, the Lodge Secretary, who receives many informational notices, does not properly talk with the trustees (of course, the reverse is also true).

The Secretary is primarily responsible for passing out information to the other leaders of the Lodge. The trustees are responsible for appointing the Lodge's accident prevention manager (the trustees must do this as they are responsible for making it work).

While I am sure that most Lodges try to work as a team, each year the Grand Lodge receives calls from various Lodge leaders asking about insurance policies and other matters related to insurance and safety issues that are clearly stated in information provided to the Lodge by many sources. The Insurance Department is always glad to provide information and assistance, but the prime concern is that the Lodge's leaders are not talking to each other and not cooperating to accomplish accident prevention and, for that matter, good Lodge management.



Summer Vacation

EMPLOYEE/MEMBER THEFT

In the last year, we have had several cases of substantial crime losses involving employees, officers and members. Almost all of these claims could have been avoided, or at least substantially mitigated, if good practices and common sense had been used by the Lodge's management.

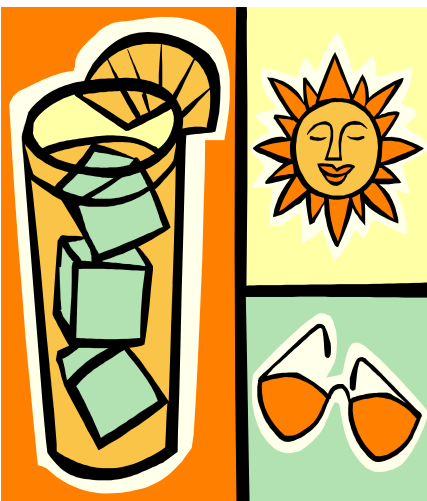
- Procedures must be established to provide checks and balances. In any operation, this can be done by not allowing any one person to have control over all aspects of the process.
- Internal audits should be conducted without prior notice; all external audits should include a full review of all operations concerning the handling of money or the processing of invoices.
- It is also strongly recommended that a two-signature procedure be established.
- No individual or group should be allowed to incur debt or obtain access to credit for the Lodge without approval of the Lodge or, if necessary, Grand Lodge.

LIQUOR IN THE LODGE

Regarding alcohol related claims, the Order's record is a good one that continues to improve, but all Lodges must remain vigilant. One mistake, one neglectful officer or employee can cause great damage to the Order.

Each Lodge must constantly review its procedures related to the service of alcohol. Here are some points:

- Servers, employees and volunteers must be trained. While we recommend that they receive formal training, it is a requirement in some states.
- Servers must refuse service to anyone who is even approaching intoxication, including any Lodge officers.
- Patrons must never be allowed to serve themselves (i.e. never have an open-service keg).
- Servers must never drink on the job or after their shift is over.
- All applicable liquor related laws must be complied with.
- All Lodges might attempt to include alcohol use by members in their Drug Awareness Program.



FLAG POLES

In recent years, we have had several claims involving flag poles. In some cases, inexperienced persons have attempted to decorate, repair or install such units. This should never be done without the appropriate equipment and personnel. Volunteers may think they can accomplish the objective but serious injuries can result.

For work being done on a standing pole, a proper lifting device for the workmen involved must be used. If ladders are not properly reinforced, they should not be used. With regards to the installation of flag poles, a professional with the proper equipment should be used. Using a professional may cost a little extra, but bad results from a volunteer can be costly to the individual Lodge and the Master Liability Program.