

~ ~ ACCIDENT PREVENTION/INSURANCE RISK ~ ~
INFORMATION
 SUMMER 2015



ATTENTION: STATE ACCIDENT PREVENTION/INSURANCE RISK CHAIRS
 All State Accident Prevention/Insurance Risk Chairs will be invited to attend the **2015 Accident Prevention Seminar, which is being held in Chicago, Illinois on Saturday, October 3, 2015.** Please be on the lookout for an email, which will be directed to you on or before July 31st with informational materials and an attendance form that **must be completed and returned no later than, Monday, August 24th.**

IMPORTANT NOTICE REGARDING THE SERVICE OF ALCOHOL

State accident prevention chairs and Lodge accident prevention managers must continuously repeat the message about the safe service and use of alcohol. The membership was recently informed of a verdict totaling \$28 million (including \$10 million in punitive damages*) in a case involving a local Pennsylvania Lodge; it was alleged that a non-Elks member was improperly served alcohol while attending an Elks sponsored function.

It is essential that Local Lodges properly control the service of alcohol. It is also crucial that Local Lodges recognize the primary reason they have a liquor license and maintain bar facilities, which is to provide the service of alcohol to Lodge members and their guests. Under no circumstances should Local Lodges view the service of alcohol as a commercial activity for service to the public.

It has been stated many times that no person approaching intoxication should ever be served (anyone who violates this policy should be terminated). Those serving alcohol should be trained to count the number of drinks provided to an individual; therefore, it is strongly recommended that all those involved in the service of alcohol—including volunteers—take a training course.

Local Lodges renting out their facilities (for weddings, parties, etc.) in accordance with the Statutes’ “Closed Door Policy” must remember that the person or entity renting the Lodge must provide a signed indemnity agreement and name the Local Lodge as additional insured on the renter’s general liability policy (see Pages 10-12 of the *Liability Insurance Program* booklet mentioned above for guidelines; a sample indemnification form; and a sample “Certificate of Liability Insurance” form). If the renter cannot obtain a Certificate of Insurance that names the Local Lodge as additional insured, the renter can purchase an “event policy” from one of many such providers that can be found locally and on the Internet or by calling Aon Affinity Services at 1-800-421-3557.

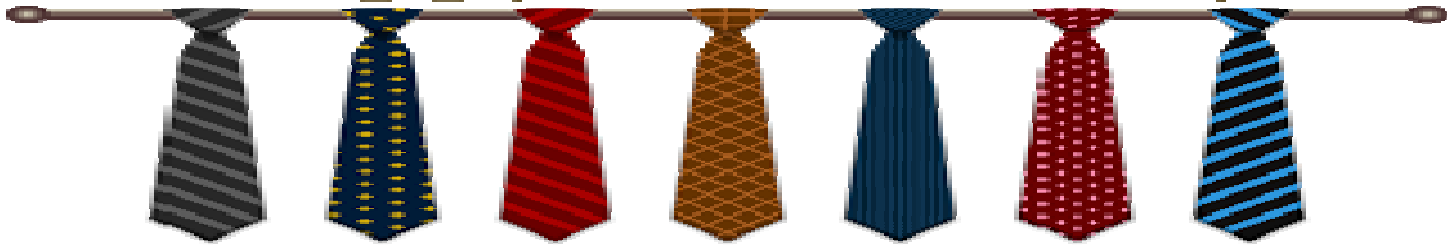
* Please note that, while the Master Liability Program does provide coverage for punitive damage awards, there are some states that do not allow punitive awards to be insured, which would make the Local Lodge responsible for such awards.

It is requested that this letter be read at the next Lodge meeting.

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Happy Fathers Day



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.

RECENT INSURANCE PROGRAM MAILING

By now, all Lodge Secretaries should have received the Grand Lodge Insurance Program mailing, which included one copy of the *Accident/Claim Prevention Manual* (Fifth Edition) and two copies of this year's *Liability Insurance Program* booklet. As a representation of the Self-Insured Master Liability Program's liability insurance policy, one copy of the *Liability Insurance Program* booklet must be in the Lodge Secretary's office; the second copy is for the Lodge accident prevention manager.

While all Lodges should become familiar with the information provided in both publications, special attention should be paid to the coverage and exclusions listed on pages 4-7 of the *Liability Insurance Program* booklet. It is also very important for Lodges to familiarize themselves with pages 10-14, which state the rules and procedures Lodges must follow if other parties are allowed to use the Lodge facilities and/or participate in events. Regardless of whether the facilities are rented or donated, anyone using the facilities must indemnify the Lodge and name the Lodge as additional insured. To review, print or download the manuals named in this article, visit www.elks.org/grandlodge/manuals/.



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

Since October 2012, Local Lodges have been made aware of a voluntary Workers Comp program available through Lockton Risk Services that provides individually written policies and offers the following benefits:

- ◆ By using the “clubs not otherwise classified” rate, this program has the potential to offer Lodges a lower rate when compared to rates typically used.
- ◆ There are no surcharges made under assigned risk plans or for small groups.
- ◆ In most states, Local Lodges have the option of obtaining coverage for volunteers (an important benefit for Lodges that raised concerns when the secondary medical payments were eliminated under the Master Liability Program). However, the following exceptions must be noted:

State Sponsored Workers Comp (Monopolistic States)	States That Do Not Allow Coverage for Volunteers
<ul style="list-style-type: none"> ◆ North Dakota ◆ Ohio ◆ Washington ◆ Wyoming 	<ul style="list-style-type: none"> ◆ Connecticut ◆ Tennessee ◆ Michigan ◆ Texas ◆ New Jersey ◆ Wisconsin

Eligible Lodges that wish to learn whether they would benefit from this voluntary program must contact **Lockton Risk Services directly at 1-877-735-6349** with questions or to obtain a quote.

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

NEWLY UPDATED LIABILITY CLAIM FORM

An updated liability claim form was recently made available on the Elks website that gives Lodge officers and managers the option of completing the form online and submitting it directly to Gallagher Bassett via email. This form is available at: www.elks.org/grandlodge/manuals/.

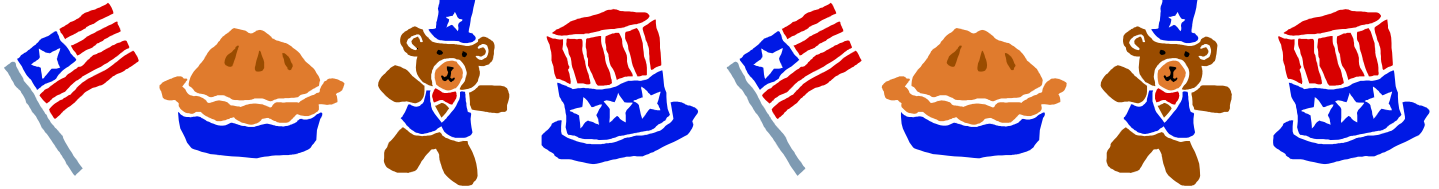
PARADES

The Master Liability Program can not assume responsibility for conducting a parade. In most cases, the city, state or county will want to be named as additional insured under the Elks Master Liability Program, but such certificates will not be issued. The sponsoring Lodge must purchase separate independent parade insurance. For example, many Lodges sponsor Mardi Gras parades and always have extensive independent insurance coverage.

If any Lodges do attempt to sponsor a parade, the Lodge should also make sure that all outside participants indemnify the Lodge and name the Lodge as additional insured under that entity’s general liability policy (in addition to obtaining parade insurance). In order to finance the necessary independent insurance, the Lodge can charge the outside entities a fee to participate.

If a Lodge is only participating in a parade being sponsored by others (with a float or vehicle), the Master Liability Program will provide a certificate of insurance if required. To repeat, the only prohibition is if a Lodge attempts to be responsible for the total parade.





INDEMNIFICATION/RELEASE FORMS

When individuals or entities use the Lodge for events, such as weddings, parties, etc., appropriate procedures should be followed to protect the Lodge from claims arising out of such use. Please refer to pages 10-11 of the *Liability Insurance Program* booklet, which indicate the need for individuals or entities using the Lodge facilities to provide a signed indemnity form and evidence of insurance that names the Lodge as additional insured (those individuals or entities in need of a special event policy can contact a local agent or Aon Affinity Services at 1-800-421-3557 for more information on how to obtain such coverage).

Many Lodges also conduct events such as car shows, flea markets and other events where groups of people or organizations are allowed to use the Lodge facilities or participate in some sort of an event held by the Lodge. Lodges are also conducting events involving individual participation, such as sporting events or other forms of activity. Some Lodges also offer facilities that accommodate RVs and trailers. Pages 13 and 14 of the *Liability Insurance Program* booklet indicate the need for those participating in such events or using the Lodge facilities to sign release forms that should include parental consent when necessary.

PROPER SERVICE/USE OF ALCOHOL IN THE LODGE

As has been pointed out many times in the past, one mistake, one neglectful officer or employee can cause great damage to the Order. This statement became all too real given the recent \$28 million verdict that was rendered against a local Pennsylvania Lodge. In the wake of such circumstances, it is even more important for each Lodge to constantly review its procedures related to the service of alcohol. Here are some points:

- We recommend that anyone responsible for the service of alcohol—employees and volunteers—receive formal training to count drinks and learn the signs of intoxication (some states mandate such training).
- When serving alcohol, anyone approaching intoxication—including Lodge officers—must be cut-off. Servers who fail to enforce this rule should be terminated.
- Patrons must never be allowed to serve themselves; prohibit the use of pitchers or self-service kegs.
- Servers must never drink on the job or after their shift is over.
- All applicable liquor related laws must be complied with.
- Use the Drug Awareness Program as a way to introduce the dangers of alcohol abuse to the Lodge members.

SUPERVISION OF LODGE FACILITIES

Every Lodge owes a duty to supervise Lodge operations. Lodges that provide open access to Lodge facilities are not properly serving and protecting Lodge members and guests. Lodges that give its members 24/7 access to Lodge facilities—by giving them keys or key cards—fail to properly serve and protect Lodge members and guests; however, they also ignore a duty to conduct activities in a safe manner.



Over the years, there have been several fatalities involving saunas and hot tubs. Many other incidents occurred while individuals were using swimming pools, workout facilities or as a result of a person's general use of Lodge facilities. Some Lodges that allowed unlimited access to Lodge facilities also suffered fire damage.

Lodges must remember that both the Master Liability and Property Plus Programs are self-insured programs, which means that a large portion of the costs are paid by the Elks (the first million dollars of every liability claim and the first \$750,000 of every property claim). While our self-insured status means it is important to avoid claims, it is even more important that Lodges properly control and supervise Lodge property.



COMMUNICATION WITHIN THE LODGE

A big part of any accident prevention activity involves open lines of communication between the state accident prevention chairs and their Local Lodges but also within the Lodge itself between its leaders and all members. To get the safety message out and to keep it constantly in mind, Local Lodge leaders must communicate with each other but, all too often, there is a lack of communication among Lodge officers.

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 (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, the Insurance Department is contacted with questions about insurance policies and other insurance and safety related issues that are clearly stated in information provided to the Lodge through various sources. Of course, the GL Insurance Department is always glad to provide information and assistance. Our primary concern is that Lodge leaders are not talking to each other and not cooperating to accomplish accident prevention and, for that matter, good Lodge management.

EMPLOYEE/MEMBER THEFT

All too often, substantial crime losses are reported that involve Lodge employees, officers and members. Almost all of these claims could have been avoided, or at least substantially mitigated, if Lodge management had used good practices and common sense:

- 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.

SAFETY AWARENESS

The two major insurance programs created by the Statutes of the Order are now essentially self-insured. The Liability program has a one million dollar self-assumption for each occurrence; the Property Plus Program has a \$750,000 self-assumption for each loss.

If these programs are to continue to benefit the Order, a team effort must be made to avoid losses. Every loss is the individual member's loss; therefore, Lodge management must think safety. In the property area, these policies cannot be viewed as a means for maintenance.

- ◆ Do not think about how to file a claim but how to avoid a claim.
- ◆ How can I make sure the Lodge will never serve a person approaching intoxication?
- ◆ How will we make sure there is no hazard on which a person can fall?

To keep the great benefits these programs provide, all must think "safety first."

ANIMALS IN LODGES

We have had several cases where members or employees had their dogs in or around the Lodge premises that resulted in a biting incident. To date, we have defended the Lodge in these cases and directed civil actions to the owner of the animal; however, the defense of the Lodge in these cases is an unnecessary expense. This situation should be avoided.

I can think of almost no situation where a member or an employee should bring any pet on the Lodge premises, except in the case of a needed guide/service dog.



LOCAL LODGE RENTAL/USE AGREEMENTS

The following list of elements should be included in any and all rental/use agreements:

- ◆ In every case, any rental/use agreement must conform to the fraternal Order's Statutes regarding the closed-door requirements.
- ◆ Such agreements must conform to pages 10-11 of the 2015/2016 Master Liability Program booklet; include a provision for an indemnity agreement; and provide the Lodge with evidence that the Lodge has been named as additional insured on the user/renter's insurance policy.
- ◆ The agreement should clearly describe the area to be used/rented and indicate any limitations regarding capacity, available equipment and/or any areas not included for use.
- ◆ A clear indication of all rental fees and a clearly defined cancellation policy.
- ◆ When the service/use of alcohol is involved, it must be clearly stated that the service of alcohol will be controlled by the Lodge—no outside alcohol is allowed. Furthermore, it is forbidden to allow the self-service of alcohol—including the use of pitchers and self-service kegs.
- ◆ Clearly indicate that the Lodge will follow all legal requirements regarding the service of alcoholic beverages and will reserve the right to refuse service to anyone at the discretion of the server(s).
- ◆ Any decorating limitations should be clearly defined; the user/renter's clean-up responsibilities/requirements should be clearly indicated.
- ◆ Regarding security services during an event, the agreement should clearly state appropriate requirements and the cost of such services (based on the event). If the Lodge provides assistance in obtaining security officers, it is recommended that off-duty police officers be utilized in those jurisdictions that allow it. Under no circumstances should the Lodge sign any agreement that renders the Lodge responsible for claims arising out of the actions of hired security personnel.
- ◆ If Lodge management learns that an individual or group is responsible for any lewd or criminal actions, the Lodge has the right to remove the named individual or group and/or shut the event down entirely.
- ◆ No illegal gambling will be allowed.



All Lodges should review their current rental/use agreements to confirm whether all of the elements mentioned above are included.

FLOOD INSURANCE

We would again remind all Lodges that the Self-Insured Property Plus Program does not provide flood insurance. The exclusion as stated in this Program is similar in all comparable package policies: "Flood, surface water, waves, tides, tidal waves or overflow of any body of water (whether driven by wind or not) or mud slides or mud flow." Without specific flood coverage, a flood loss would leave the Lodge uninsured.

If a Lodge is in a flood plain; if there is a realistic chance of floods; or if there is a risk associated with tidal activity, the Lodge should look into obtaining flood insurance through a governmental plan or through private carriers. Lodges can also obtain such separate/independent insurance by contacting Aon at 1-800-421-3557 for a quote.



REMOVAL OF HAZARDOUS MATERIAL

It has come to our attention that some Lodges have been presented with problems related to the removal of hazardous material such as asbestos, lead, etc. It is imperative that the Lodge management properly handle such situations to avoid potential injury to workers, members and guests. It is also very important that ALL local, state and Federal regulations, laws and/or procedures are followed; mishandling these materials can result in fines totaling thousands of dollars. Additionally, some properties could be closed or quarantined.

If such materials are removed, this work must be done by properly certified contractors; it cannot be done by volunteers or regular workers.