

~ ~ ACCIDENT PREVENTION/INSURANCE RISK ~ ~
INFORMATION
 SEPTEMBER 2014



2014 ACCIDENT PREVENTION SEMINAR

If there are any state chairmen invited to the upcoming seminar who have not turned in their form, please do so immediately. Without this form, we are unable to book airline tickets or make room reservations. If you are unable to attend this year’s seminar, please indicate that on your form and return it to the Insurance Department right away.

Additionally, anyone who has not turned in their Activities Status Report for 2014 should turn it in as soon as possible or have it with you when attending the scheduled seminar (the information provided on those reports will be included in reports to be provided to the Insurance Subcommittee).

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NO SELF-SERVICE

Lodges that allow a person to serve themselves alcoholic beverages as a general policy or during an event could be jeopardizing the Lodge’s liquor license. Under no circumstances should such a policy be established or allowed. Using beer kegs for self-service is prohibited; there must be a server. Additionally, no one should be allowed to bring their own alcohol into the Lodge. It is imperative that Lodges follow these requirements.

ROOF MAINTENANCE

Each year, many legitimate roof claims are submitted under the Self-Insured Property Plus Program. Unfortunately, we also receive a few claims involving water leakage and/or damage to contents that developed because the Lodge failed to properly maintain the roof.

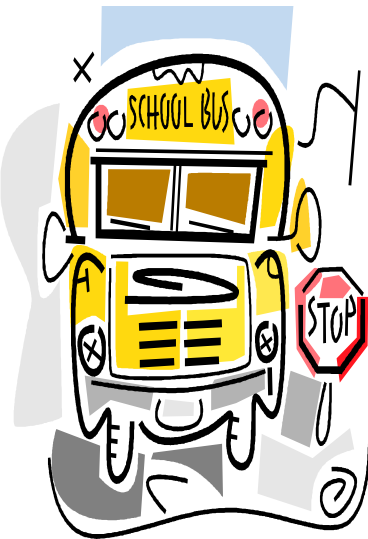
Regardless of the building materials involved, all roofs suffer wear and tear and will eventually need to be replaced; however, this lifespan can be extended through proper maintenance.

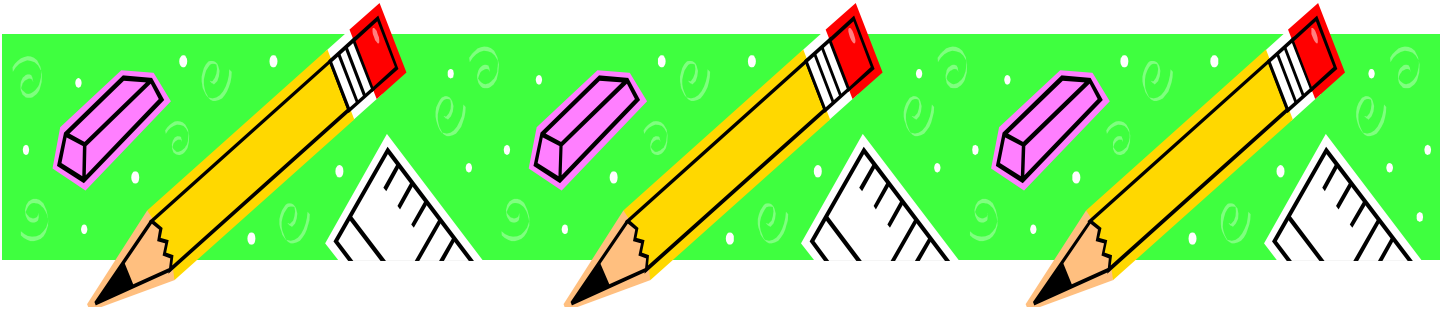
The purpose of the Property Plus Program is to pay for unexpected losses; it was not meant to pay for a covered facility’s maintenance costs. This means the Property Plus Program will not pay to replace a roof when a claim is made that involves a Lodge’s lack of maintenance or necessary replacement.

COLD WEATHER PIPE DAMAGE

As winter weather approaches, it is time for Lodges to take the steps needed to avoid winter weather claims, including frozen pipes and sprinkler system damage. The Lodge facility should be assessed and plans made to avoid such occurrences during the coming months. Insulation can be installed and exposed pipes can be wrapped.

**OUR KIDS ARE BACK IN SCHOOL;
PLEASE DRIVE SAFELY.**





LETTER FROM GER AMEN—AUGUST 2014

A SERIOUS MESSAGE FOR SERIOUS TIMES – Exalted Ruler, please read this communication at your next Lodge meeting:

My fellow Elks, I need to discuss with you a serious topic, which had a significant financial impact on our Order but, more importantly, had a detrimental impact on our image.

In his acceptance speech at the July, 2012 National Convention in Austin, Texas, now Past Grand Exalted Ruler, Thomas S. Brazier pointed out “There’s become a change in the social norms over the past three decades. You can’t have a few belts at the bar anymore and drive home without consequences.” Recent events related to a claim in Pennsylvania brought with it a harsh reminder of just how true our Past Grand Exalted Ruler’s statement really is.

A Local Lodge’s allegedly improper service of alcohol prompts us to take stock of the purposes and objectives of our Order. We cannot allow circumstances that may downgrade the image of our Order to that of a nationwide chain of bars and taverns.

Each Lodge must strictly enforce the policy that anyone approaching intoxication must be cut off from the service of alcohol. Additionally, each Lodge must ensure that those responsible for the service of alcohol, whether employee or volunteer, are provided proper training from a qualified and certified organization.

Every Lodge must remember that its bar facilities are to be operated for the social purposes of the Order’s members and their bona fide guests.

For those Lodges that rent out their facilities for weddings, parties, etc., they must require that the person or entity renting the facility provide a signed indemnity agreement and a Certificate of Insurance from their general liability insurance carrier that names the Lodge as an additional insured on their general liability policy. If the renter cannot obtain such a certificate of Insurance that names the Lodge as additional insured, the renter can purchase an “event policy” from one of many such providers available locally or on the Internet by calling Aon Affinity Services at 1-800-421-3557.

Most importantly, each Lodge must examine its own culture and reflect on any known alcohol abuse within the Lodge. To the extent possible, Lodges should assist persons so afflicted and take immediate action to limit their access to the bar facilities.

The recent jury verdict totaling \$28 million included \$10 million in punitive damages, which cannot be insured in some states. For those cases where such awards cannot be insured, the Local Lodge would be responsible for paying this judgment which, in most cases, would result in that Lodge going bankrupt and defunct.

Additionally, large losses like this will affect the entire Order by increasing the Program’s expenses and the Local Lodge’s per capita fees.

It is the mission of all loyal Elks to disprove this unfair and mostly untrue image that is generated by such a catastrophic claim. Only with serious thought and conscious effort will we resolve this issue.

John D. Amen



RELEASE FORMS/INDEMNIFICATION

It has come to my attention that many Lodges 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. With this in mind, I must refer you to the *Liability Insurance Program* booklet, which is also the Master Liability Program policy. Pages 10-11 indicate what is required of organizations and/or individuals that rent/use the Lodge facilities (see indemnity agreement provided below). The following are two release forms that can be used to protect the Lodge from claims made by individual participants:

Release for Group Events

I, (participant’s name), for being allowed to participate in (event name), agree to indemnify and hold harmless the (Lodge name, number), its officers, employees and members from any claim and/or attorney fees arising out of my participation in this event, except for the sole negligence of the Lodge. I further agree the Lodge is not responsible for damage to my property and waive subrogation on any insurance policy I may have.

Signature

DATE

Release for Individual Participating in Sporting Events

I, (participant’s name), for being allowed to participate in (event name), agree to indemnify and hold harmless the (Lodge name, number), its officers, employees and members from any and all claims or injury to myself arising out of my participation in this event.

(If the participant is a minor, a parent or guardian must sign, thereby providing permission for the named minor to participate in the named event).

Signature

DATE

Indemnity for Groups or Individuals Renting/Using/Leasing Lodge Facilities

For valuable consideration, the receipt whereof is hereby acknowledged, _____ does hereby agree to indemnify and hold harmless the (Lodge name, number) from any and all claims, costs of defense or expenses arising out of (description of activities), except for the sole negligence of the Lodge. _____ further agrees to name the Lodge as additional insured under their general liability policy, which will be obtained from an insurance company the Lodge finds satisfactory and provide the Lodge with: (1) a separate endorsement reflecting the Lodge’s status as an additional insured; (2) a provision in the policy for thirty (30) days’ notice of cancellation or material change; and (3) evidence of the following insurance coverage (such coverage and certificate must be issued without any disclaimers or limitations):

COVERAGE

AMOUNT

General Liability

\$1,000,000 per occurrence
(including products and contractual liability)

Automobile Liability
(where applicable)

\$1,000,000 per occurrence

Workers’ Compensation
(where applicable)

Statutory

Amounts of required coverage mentioned above may be increased or decreased depending on circumstances.



SERVICE OF ALCOHOL



The first principle in the service of alcohol is to never serve anyone approaching intoxication. It is the Lodge's duty to accomplish this by controlling all aspects of service and being observant while serving alcohol: stop service to anyone approaching intoxication; don't let others buy drinks for anyone who might be approaching intoxication; and stop service to anyone else in the group if it is believed they will pass drinks on to offending individuals.

Never allow patrons to serve themselves (for example, no beer kegs). Everyone from Lodge management to the employees/volunteers must know their position depends on their ability to strictly enforce this policy.

The service of alcohol must not be viewed as a means of finance for the Lodge; it must be viewed as a privilege the Lodge extends to members and their guests—a privilege that has strict guidelines. This is not a commercial bar/restaurant situation; this is an accommodation for the membership that must include inflexible rules. Cutting off an individual who is approaching intoxication or not serving them in the first place is better than generating a million-dollar claim.

CONSTRUCTION AT LODGES

When there is to be construction at a Lodge, management must be aware of possible problems. This applies to repairs, partial construction and total renovation.

- In every case, those doing the work should indemnify the Lodge from any claims arising out of the work, except in the case of the sole negligence of the Lodge. The party doing the work must name the Lodge as additional insured under its general liability policy (this should be done, even if the contractor is a member).
- To protect the Lodge, make sure the work being done is guaranteed.
- The Lodge should never take on the role of general contractor. If the Lodge takes on this duty, it creates possible obligations and duties the Lodge is neither capable of performing nor properly covered for by the Master Liability Program. Lodges should not be misled by potential subcontractors or others providing bad advice in this regard.
- When constructing a new building; putting on an addition; or making substantial renovations, the Lodge must contact Aon Affinity Services at 1-800-421-3557 to make sure proper coverage is obtained (please note a new building requires builder's risk coverage, so a Lodge should contact Aon before construction begins). Always consider full or partial sprinkler installation if the Lodge has sufficient water pressure.

HALLOWEEN

Many Lodges have various types of activities at Halloween, such as haunted houses, costume parties, etc. The Lodge should carefully review the plans for these activities to make sure they are conducted in a safe manner:

- Construction of any props or facilities should be done properly and in a sturdy fashion with a recognition of the prospective traffic and the abuse of wear and tear expected during celebrations.
- All fire codes must be followed; every effort should be made to ensure that all materials are fireproof or fire resistant.
- Planning for crowd control must be done to avoid potential injuries caused by panic or heavy attendance.
- Any food served during these events must be handled in a sanitary manner in compliance with health code regulations.





DANCE FLOORS

Many years ago, we had a number of claims involving dance floors on a yearly basis. In recent years, the message has been passed that under no circumstances should wax, powder or sand be placed on dance floors and that any member or guest who does it or tries to do it should be banned or disciplined (the use of non-skid floors is preferred).

There have been several claims recently alleging the use of a substance on the dance floor. This must be stopped. Management must exercise proper control.

WASHROOMS/LOCKER ROOMS

These are areas where falls occur. Each Lodge must review their situation and eliminate hazards.

- Lodges must properly place instructions and warning signs.
- Keep these areas clean and free of any debris. During times of heavy use, it is wise to log inspection and cleaning times.
- To the extent possible, eliminate potential hazards. If this cannot be done, place warning signs; such as in an area with several levels or where moist conditions are likely to create slippery floors.
- If possible, place the towel dispenser and the garbage container in the sink console rather than across the room. This will avoid water dripping on the floor that can cause many spills.
- In the shower areas, place railings or hand holds. These are useful to persons with disabilities as well as an aging membership.

INFORMATION AVAILABLE ON ELKS WEBSITE

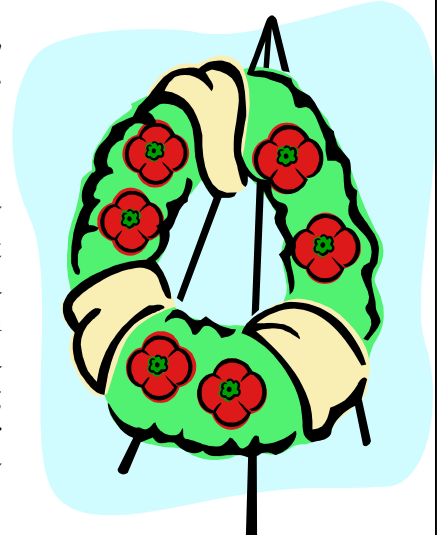
By logging onto the Elks website (www.elks.org/who/telephonedirectory.cfm or www.elks.org/resources/accident/), Lodge members have access to important contact information and claims handling instructions.

Lodge Members also have access to other important information about the various Grand Lodge Insurance Programs, including the mandatory Self-Insured Master Liability and Property Plus Programs and the voluntary D&O/Employment Practices and Workers Comp programs at www.elks.org/resources/accident/:

- ♦ The four most recent editions of this Accident Prevention/Insurance Risk “Information” newsletter.
- ♦ Various informational cover letters that provide information about the Master Liability, D&O and Workers Comp programs and the state associations’ coverage needs.
- ♦ Access to full copies of the *Accident/Claim Prevention* manual; *Liability Insurance Program* booklet; and the *Property Plus Program Insurance Guide*.

Liability Claim Form Revised as of January 2014

Those Lodges that need to report a liability claim will also find a newly revised and fillable claim form available at www.elks.org/resources/accident/. When a liability claim is reported, a Lodge officer or manager now has the option of completing the fillable claim form online and submitting it directly to Gallagher Bassett Services with a click of the mouse (if possible, Lodges are asked to send any supporting claim documentation—including time-sensitive materials—to Gallagher Bassett Services by email: [GB-Oakbrook Terrace-Mail@gbtpa.com](mailto:GB-OakbrookTerrace-Mail@gbtpa.com) or by fax: 1-800-223-7006).





ACCIDENT PREVENTION

Many of you may not realize that all Lodges that own buildings must participate in the Property Plus Program, which includes coverage for fire insurance. You also may not realize that the crime coverage included under the Property Plus policy provides crime coverage in the amount of \$50,000, which covers officers, trustees, volunteers, employees or anyone acting on behalf of the Lodge. This means Lodges do not need to purchase a separate bond to cover Lodge officers.

Lodges that do not own buildings simply pay a minimal premium to have the crime coverage portion of the policy in place. (Call Aon Affinity Services at 1-800-421-3557 for more information.)

In accordance with the Statutes, all Lodges must appoint an Accident Prevention Manager – a trustee or someone appointed by the trustees. (Please see Pages 48-49 of the *Accident/Claim Prevention Manual* for more information regarding this appointment.) To better understand the Grand Lodge Insurance Programs, it is recommended that Lodge management review and become familiar with the three booklets listed below, which are sent to all Lodges on a yearly basis and available online:

- ◆ Liability Insurance Program Booklet (Grand Lodge Shipping Department)
- ◆ Accident/Claim Prevention Manual (Grand Lodge Shipping Department)
- ◆ Property Plus Insurance Booklet (Aon Affinity Services)

MISCELLANEOUS TIPS

Bingo: A large portion of the total claims made come from bingo operations; however, a well-managed Lodge can eliminate these claims through proper planning:

- ◆ Control traffic.
- ◆ Make sure there are no pathway obstructions.
- ◆ Be sure floor surfaces are level and free of any debris.
- ◆ Realize the group may include elderly persons or persons with disabilities.
- ◆ Keep in mind that, as a whole, the group appears to be litigious.

Employment Discrimination: Every Lodge should establish and follow a personnel policy that provides a means for an employee to register a discrimination claim. The general outline of such a program is in the *Accident/Claim Prevention Manual*. Lodges that do not establish such a program can be subject to great difficulties in defending a claim, even a totally frivolous one.

Service of Alcohol: Never consider self-service drinks, which are totally unacceptable from a safety point of view and can violate local liquor laws. Regardless of whether the trained bartenders are paid employees or simply volunteers, they must be the ones serving alcoholic beverages to members and their guests.

Food Service: All health department rules must be observed in the Lodge kitchen; a clean kitchen in good repair is imperative. If a Lodge cannot maintain such a kitchen, it should be closed. Lodges should also be wary of food brought to the Lodge by volunteers or others. If there is any question about the preparation, storage or transportation of such items, these items should not be served.

Signing Documents: Documents must be reviewed by the Lodge attorney (or a person knowledgeable in contract matters) before a Lodge officer or anyone else signs any type of document that obligates the Lodge to indemnify or hold another party harmless.

