

ACCIDENT PREVENTION/INSURANCE RISK INFORMATION

SUMMER 2016

CONGRATULATIONS TO THE CLASS OF 2016

ATTENTION: STATE ACCIDENT PREVENTION/INSURANCE RISK CHAIRS

All State Accident Prevention/Insurance Risk Chairs are invited to attend the **2016 Accident Prevention Seminar, which is being held in Chicago, Illinois on Saturday, October 1, 2016.** You will receive an email on or before August 1st with information and an attendance form that must be completed and returned no later than Monday, August 29th.



IMPORTANT NOTICE REGARDING THE SERVICE OF ALCOHOL

State accident prevention chairs and Lodge accident prevention managers must continuously repeat the message about alcohol.

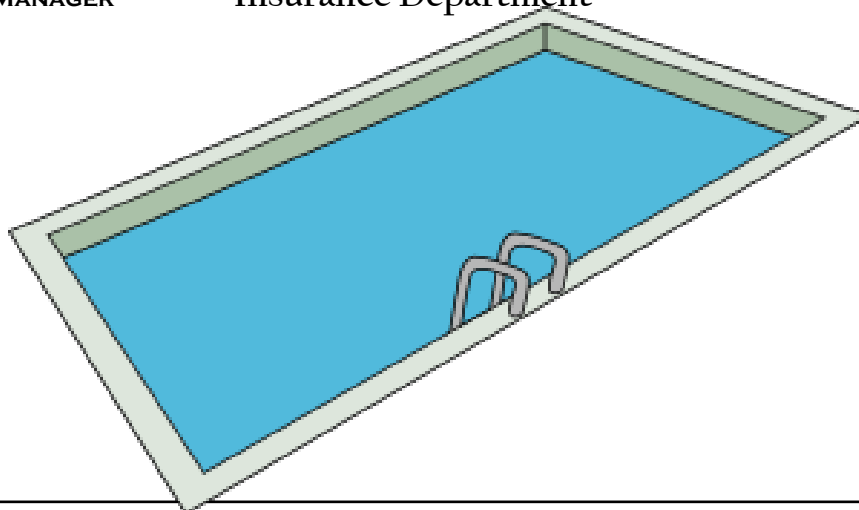
The membership must be reminded of a \$28,000,000 verdict in a case involving a local Pennsylvania Lodge. It was alleged that a non-Elks member was improperly served alcohol while attending an Elks sponsored function.

Local Lodges have a liquor license and maintain bar facilities 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.

Those serving alcohol should be trained to count the number of drinks provided to a member or guest. It is strongly recommended that all those involved in the service of alcohol, including volunteers, take a training course.

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POOL SAFETY

Lodges should comply with the following :

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 properly trained and certified lifeguards;
3. 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;
5. Pools should have signs indicating that all minor children should be accompanied by parents or guardians;
6. Remove diving boards and other such equipment, including slides;
7. Pools must be inspected on a frequent basis and any necessary repairs must be addressed immediately;
8. Prohibit dangerous activities, such as horseplay and running;
9. Absolutely no diving from a pool deck into depths less than 9 feet, according to the American Red Cross;
10. Glass should not be permitted in the pool area; and
11. Alcoholic beverages should not be served poolside.

INSURANCE PROGRAM MAILING

Lodge Secretaries received the Grand Lodge Insurance Program in the mail. One copy of the Accident Claim Prevention Manual (Sixth Edition) and two copies of the 2016/2017 Liability Insurance Program booklet were included. One copy of the Liability Insurance Program booklet must be kept in the Lodge Secretary's office; the second copy is for the Lodge accident prevention manager.

SEPARATE BONDS NOT REQUIRED

The Property Plus Program provides \$50,000 coverage for Employee Dishonesty and Forgery. This coverage provides protection for the Lodge, which makes obtaining independent bonds unnecessary. The Lodge is covered for misappropriation of money by any person acting on behalf of the Lodge.



PARADES

The Master Liability Program cannot 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 sponsor a parade, the Lodge should also make sure that all outside participants indemnify the Lodge and name the Lodge as an additional insured under that entity's general liability policy (in addition to purchasing 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.

WORKERS' COMPENSATION INSURANCE FOR LODGES

(VOLUNTEER WORKERS COVERAGE AVAILABLE)

Local Lodges may obtain Workers' Compensation Insurance through **Lockton Risk Services** or **Aon Affinity Services** that provides individually written policies and offers the following:

- ◆ 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 when the secondary medical payments were eliminated under the Master Liability Program).
- ◆ Check your state law on requirements for workers' compensation insurance.

Lodges must contact **Lockton Risk Services 877-735-6349** or **Aon Affinity Services at 800-421-3557** to obtain a quote.

LIABILITY CLAIM FORM

A liability claim form is available on the Elks website that allow the Lodge to complete the form online and submit it directly to Gallagher Bassett via email. This form is available at: www.elks.org/grandlodge/manuals/.



INDEMNIFICATION/RELEASE FORMS

Pages 10-11 of the *Liability Insurance Program* booklet, 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 Aon Affinity Services at 800-421-3557 for more information on how to obtain such coverage.

Many Lodges also conduct events such as car shows and sporting events at the Lodge. 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

In the wake of the \$28,000,000 verdict, it is important for each Lodge to constantly review its procedures related to the service of alcohol. Here are some points:

- Anyone responsible for the service of alcohol must have formal training to count drinks and learn the signs of intoxication (some states mandate such training).
- 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 to introduce the dangers of alcohol abuse to the Lodge members.

SUPERVISION OF LODGE FACILITIES

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 and ignore a responsibility to conduct activities in a safe manner.

Over the years, there have been several fatalities involving saunas and hot tubs. Other incidents occurred while individuals were using swimming pools, workout facilities or as a result of a person's use of Lodge facilities.



Lodges must remember that both the Master Liability and Property Plus Programs are self-insured programs. This 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

Accident prevention activity involves open lines of communication between the state accident prevention chairs, their Local Lodges and between Lodge leaders and members. To get the safety message out, Local Lodge leaders must communicate with each other. The Secretary is 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).

The Insurance Department is always glad to provide information and assistance on matters of insurance and safety.

EMPLOYEE/MEMBER THEFT

Crime losses were reported that involved Lodge employees, officers and members. These claims could have been avoided, or mitigated, if Lodge management had used the following good practices and common sense:

- Create checks and balances by not allowing only one person to have control over all aspects of the process.
- Internal audits should be conducted without prior notice.
- External audits should review of all operations concerning the handling of money and invoices.
- It is strongly recommended that a two-signature procedure be established.
- No one should be allowed to obtain credit for the Lodge without approval of the Lodge.

SAFETY AWARENESS

The two major insurance programs created by the Statutes of the Order are self-insured. The Liability program has a \$1,000,000 self-insured limit for each loss. The Property Plus Program has a \$750,000 self-insured limit for each loss.

If these programs are to continue to benefit the Order, a team effort must be made to avoid losses. Lodge management must think safety.

- ◆ Think about how to avoid a claim.
- ◆ Make sure the Lodge will never serve a person approaching intoxication.
- ◆ Make sure there is no hazard on which a person can fall.

ANIMALS IN LODGES

We have had lawsuits files when members or employees had their dogs in or around the Lodge that resulted in a biting incident. The defense of the Lodge in these cases was an unnecessary expense. No member or employee should bring any pet on the Lodge premises, except in the case of a needed guide/service dog.





LODGE RENTAL AGREEMENTS

The following should be included in all rental agreements:

- ◆ Conform to the Order's Statutes regarding closed door requirements;
- ◆ Follow pages 10-11 of the 2016/2017 Master Liability Program booklet;
- ◆ Include a provision for an indemnity agreement;
- ◆ Require a certificate of insurance naming the Lodge as additional insured;
- ◆ Describe the area to be rented, indicate any restrictions on use;
- ◆ State all rental fees and a clearly defined cancellation policy;
- ◆ Service of alcohol will be controlled by the Lodge, no outside alcohol is allowed;
- ◆ The self-service of alcohol, including the use of pitchers and self-service kegs is not allowed;
- ◆ The Lodge will follow all legal requirements regarding the service of alcoholic beverages;
- ◆ The Lodge will reserve the right to refuse service to anyone at the discretion of the servers;
- ◆ The renter's clean-up responsibilities/requirements should be clearly indicated;
- ◆ The Lodge must not sign an agreement assuming responsibility for hired security personnel; and
- ◆ The Lodge has the right to stop inappropriate behavior and shut the event down entirely.

If a renter cannot provide an additional insured certificate insurance naming the Lodge as an additional insured, contact Aon's Facility Rental Program at 800-421-3557 to obtain General Liability and Liquor Liability coverage for the Lodge and the renter.

FLOOD INSURANCE

The Self-Insured Property Plus Program does not provide flood insurance. Without flood coverage, a flood loss would leave the Lodge uninsured. If a Lodge is in a flood plain, or if there is a risk associated with tidal activity, the Lodge should look into obtaining flood insurance through a government plan or through private carriers. Lodges can obtain flood insurance by contacting Aon Affinity Services at 800-421-3557 for a quote.



REMOVAL OF HAZARDOUS MATERIAL

Some Lodges have discovered hazardous material such as asbestos, lead, etc. The Lodge must properly handle such situations to avoid potential injury to workers, members and guests. All work with hazardous materials can only be performed by properly certified contractors. It is important that all local, state and Federal regulations, laws and/or procedures are followed since mishandling these materials can result in fines.