

~ ~ ACCIDENT PREVENTION/INSURANCE RISK ~ ~  
**INFORMATION**  
 FALL 2015



**ATTENTION: STATE ACCIDENT PREVENTION/INSURANCE RISK CHAIRS**

As a reminder for those of you who have not turned in your 2015 Accident Prevention Activities Status Report/Resource Log: please return these forms to my attention immediately, so that I may include your state’s information in my reports to the Insurance Subcommittee.

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**SUMMARIZED JOB DESCRIPTION FOR**

**STATE ACCIDENT PREVENTION/INSURANCE RISK CHAIRS**

It is preferable that effectively operating State Chairs be allowed to retain this position for an extended term (assuming the State Sponsor approves and no practical need for change arises). Once appointed, State Accident Prevention/Insurance Risk Chairs are asked to:

- ◆ Review liability and property losses and determine if any action can be taken to avoid future incidents.
- ◆ Coordinate activities and communicate with District Deputies and Lodge Accident Prevention Managers—see job description in Accident/Claim Prevention Manual.
- ◆ Remind Lodge managers that those responsible for servicing alcohol—employees and volunteers alike—should have approved training and that those approaching intoxication should not be served.
- ◆ Use data received from various resources to keep their Lodges informed, provide assistance and answer questions.
- ◆ Contact the GL Insurance Department with any questions or concerns.
- ◆ Attend the annual Accident Prevention Seminar in Chicago, Illinois.

**LODGE ACCIDENT PREVENTION MANAGERS**

It is imperative that all Lodge Accident Prevention Managers—appointed in accordance with the Statutes of the Order—are continually active in their Lodge’s safety reviews. Lodge managers must be reminded to include Accident Prevention Managers when planning their Lodges’ day-to-day operations; Lodge operations and safety reviews must not be totally relegated to employed managers. Lodge Managers and Accident Prevention Managers must also work together to inform employees of their responsibilities as they relate to safety measures and monitor their compliance with established accident-prevention procedures.



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



## 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.

## 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.



## 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.



### LETTER FROM PGER 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

## POLICY AGAINST SERVING ALCOHOL TO THE PUBLIC

The Elks Self-Inured Master Liability Program was created to provide liquor liability insurance that would allow Lodges to have bar facilities for serving members and guests. This liquor liability insurance is provided on a broad basis to protect the Lodges. However, Lodges attempting to conduct an event that involves the service of alcohol to the public will not be provided with certificates of insurance of any kind.



## REVIEW COST OF ALCOHOL SALES

District Deputies will continually review Lodge Audit Reports to determine the “Cost of Alcohol Sales.” Lodges with “Cost of Alcohol Sales” over 35% should review their business practices and bar operations to watch for possible theft; indications that prices are too low; and/or heavy-handed service, which can make it difficult for servers to calculate whether an individual is approaching intoxication and should no longer be served.

## 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.

## 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.

Outdoor activities make the service of alcohol difficult to control, but Lodges must remain vigilant. If it is impossible to monitor the service of alcohol, don’t serve it.



## 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)

## 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.

## EVIDENCE OF INSURANCE—LIABILITY INSURANCE PROGRAM

The Liability Insurance Program booklet provides EVIDENCE OF INSURANCE in the form of a “Certificate of Liability Insurance” that shows all Lodges have \$6 million coverage under the Master Liability Program (page 8). This certificate can be copied and given to anyone with a legitimate need to know about the Lodge’s coverage (to use specific facilities; meet local requirements, etc.). Lodges that require specialized certificates should also refer to the Liability Insurance Program booklet for instructions on how to request them (page 9).

## “SPECIAL EVENT” POLICIES

It is policy for all Lodges to follow the procedures outlined in the *Liability Insurance Program* booklet (pages 10-11). An entity or individual using Lodge facilities should sign the indemnity agreement on page 11 and provide a Certificate of Insurance that names the Lodge as additional insured. If the entity or individual cannot or does not wish to name the Lodge as additional insured on their policy, such event policies can now be obtained by contacting Aon Affinity Services at 1-800-421-3557 for an application and payment instructions.





**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.

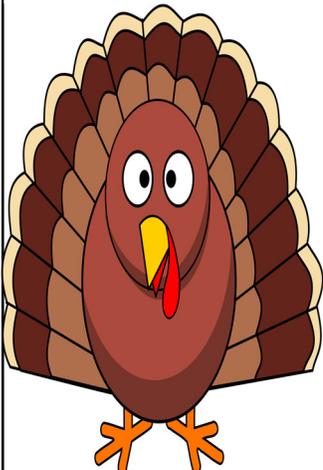
(If the participant is a minor, a parent or guardian must sign, thereby providing permission for the named minor to participate in the named event).

\_\_\_\_\_  
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

**\*The required coverage amounts mentioned above may be increased/decreased depending on circumstances (the \$500,000 coverage limit available through the “Special Event Policy” program administered by Aon is also acceptable).**