

Bulletin | Safe Grad 2015

When you host a party, you want it to be a good time - an opportunity for you and your guests to unwind a little. When alcohol is involved, unwinding can sometimes go too far: the actions of an intoxicated guest can lead to death or injury. You can be held responsible, whether you're a private citizen, an employer, or the owner of a commercial establishment. You can be sued - and sued big - even if you didn't actually serve a drop of liquor.

Why a Safe Grad?

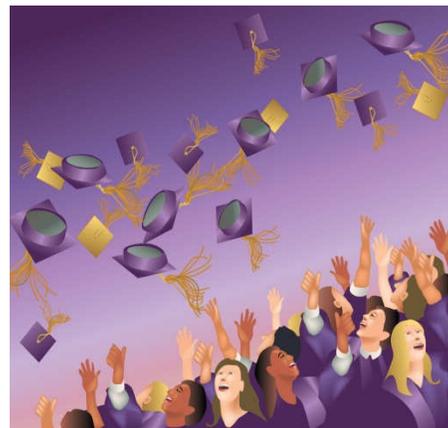
One of the purposes of a Safe Grad is that no-one leaves the function and drives; they are all dropped off at their designated destinations, preferably directly into the care of their responsible parents, as per several items on the Safe Grad checklist.

Where the Safe Grad protocol is followed, alcohol intake is limited, and all attendees are delivered into the safe hands of their parents or guardians, the actions of the Safe Grad committee are much more defensible.

Applying for Safe Grad Liability Insurance

An application and checklist for the Safe Grad insurance program is available through our office. Even if the Safe Grad committee chooses not to purchase liability and host liquor liability insurance to protect their personal assets, the checklist is a very useful tool in ensuring they are taking appropriate steps to keep the grads and guests safe. If the Committee does choose to purchase the insurance, all items on the checklist must be followed.

Here is a link to a Safe Grad website www.safegrad.com which is dedicated to helping students plan safe parties. The particular page referenced here gives a very nice overview from a legal perspective: <http://www.safegrad.com>



SAFE GRAD QUESTIONS

Does having a Safe Grad liability policy mean that we can allow minors to consume alcohol?

No. It is a clear breach of the Safe Grad Liability Policy if a minor consumes alcohol. If any sort of liquor consumption occurs with a minor, the Policy will not respond under any circumstances, not just on behalf of the minor.

Will a letter of consent allow a minor to consume alcohol?

No. A parent cannot authorize someone else to purchase or serve liquor to their child.



During the Safe Grad event, where only the properly identified persons of legal drinking age are served alcohol, an underage grad decides to sample some of the alcoholic beverages - is the insurance null and void if something happens:

- to the underage grad ?
- to someone else caused by the actions of the underage grad ?
- to someone else, unrelated to any actions by the underage grad ?

It is difficult to answer, only because there is no precedent regarding this. It is, however, our understanding that if every possible precaution is taken to ensure that the minors cannot obtain alcohol and that there are enough chaperones around to reasonably enforce this rule, that the policy will not be voided. However, there would be no coverage for that minor as he or she is committing an illegal activity.

Please clarify “Insurers will NOT pay medical expenses for bodily injury to any insured.” Who does the policy pay medical expenses for? ISN’T THIS like an accident policy?

There are 3 groups of people who could be injured:

1. **Insureds, including the committee and volunteers** - These people are "working" and it would be similar to a workers comp type of issue - which is not covered under the general liability policy. No medical expenses are covered for this group if they are injured.
2. **Participants (grads and guests)** - injury to participants is excluded under the policy, as they are willingly accepting the risks of injury inherent in any activity that they are undertaking. A well-crafted informed consent and waiver should be signed by all participants, knowingly accepting the inherent risks and agreeing not to sue anybody if injury results from these risks.

Participants will not be compensated simply because of an injury resulting from the activity and will not be reimbursed for their expenses. If, separate and independent from the activities they are willingly participating in, there is an injury to a grad or guest which results from negligence of the insured, where a court awards compensation for bodily injury, the policy (general liability) will

respond (subject to limits, conditions, exclusions of the policy). The medical expenses which the participant might incur would likely become part of the court award, and not paid as a medical expense, as there is no coverage for injury to the participant unless and until the court decides that the insured was negligent.

3. **Spectators and other third parties not involved in the activities at all (innocent parties)** - if the insured is found negligent and can be held at fault for the injury, the policy protects the insured Grad Committee (subject to limits, conditions, exclusions of the policy). Injured spectators and other third parties would expect to be compensated for their injuries (court award for bodily injury) and reimbursed for their expenses (medical payments), where the insured is found negligent.

If an individual from the function leaves intoxicated and gets behind the wheel, they are committing an illegal act, and should not expect to be compensated for their injuries. In reality, the courts may decide that while they contributed to their own injury, the host is also partly at fault and award partial compensation. If they injure a not-at-fault third party, the third party will firstly expect to be compensated from the driver's automobile policy, but may also allege that the Safe Grad committee was negligent in over-serving the at-fault driver. If a court found that the committee was negligent, they could award compensation for bodily injury and property damage to the not-at-fault third party. In this scenario, the medical expenses would likely be first paid from the at-fault driver's auto policy.

School Boards Not Involved in Most Safe Grads

Many School Boards do not get involved with the activities related to Safe Grads where the events are arranged, organized and hosted by parents committees or student groups. Where this is the case, the risk management recommendation is that the School Board be in no way involved in the overall Safe Grad planning process. This can extend to not allowing the Safe Grad meetings to be in school facilities or the use of any school resources, or have representation from the school attending the meetings.

The purpose of the risk management recommendation has been to install a barrier between the Safe Grad events and those of the School Board. The School Board needs to distance itself from these activities in order to not attract any liability flowing from the event.

This continues to be our Risk Management recommendation.

SAFE HIGH SCHOOL GRADUATION INSURANCE

With another school term quickly coming to a close, graduation season is once again upon us. We have made arrangements for schools and/or graduation committees to be able to purchase Safe Grad Insurance.

The PAL Safe Grad Application and Checklist must be completed in full. Each item on the Checklist must be followed in the preparation and holding of your event.

PURPOSE

This coverage provides liability insurance against possible claims for bodily injury and/or property damage that may arise out of the operations of the Safe Grad Program.

COVERAGE

The policy agrees to pay all sums, subject to the limit of liability, that the Insured may be LEGALLY obligated to pay for injuries sustained to the third parties or damage to their property. This policy also provides supplementary coverage for legal costs for the defending of any suit alleging bodily injury or property damage. This is NOT an accident policy whereby persons will be compensated because of injury. The policy protects the Insured if they are NEGLIGENT and can be held at fault for the injury or damage.

WHO IS AN INSURED

1. The members of the Safe Grad Organizing Committee;
2. Any volunteer associated with the Safe Grad event;

MEDICAL EXPENSES

This coverage provides insurance against possible claims for medical expenses for bodily injury caused by an accident. Insurers will make these payments regardless of fault. Insurers will NOT pay medical expenses for bodily injury to any insured.

PERSONAL INJURY

This coverage provides insurance against possible claims that could arise from such offenses as false arrest, detention, malicious prosecution, and wrongful eviction.

TENANTS LEGAL LIABILITY – BROAD FORM

This coverage provides insurance for property damage to premises rented to you or occupied by you. Insurers will pay those sums that the Insured becomes legally obligated to pay as compensatory damages, because of property damage to which this insurance applies.

DEDUCTIBLE

A Deductible of \$1,000.00 (One Thousand Dollars) is applicable to each occurrence of property damage, bodily injury or tenant's legal liability.

COVERAGE IS SUBJECT TO POLICY TERMS AND CONDITIONS.

If you require this insurance coverage, please complete the PAL Application and Checklist available through our office, sign/date it and return it to Lloyd Sadd Insurance Brokers Ltd. We will in turn submit it to the insurer for a quote.

Please note, that completion of the application does not constitute an insurance policy. Insurance shall become effective only upon the issuance of a policy or written binder specifically authorized by PAL Insurance Brokers Canada Ltd Company or agency.

Quotations will be based upon the information provided in the application.

The applicant warrants the information provided is accurate, true and complete.

For quicker service, fax or email us a copy of the completed application and checklist, prior to mailing them. Please keep a copy for your records. If you have any questions, please contact our office.

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Safe High School Graduation Application

BROKER SUBMISSION

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T: 1-800-661-1608 F: 403-261-3903
E: alberta@palcanada.com

www.palcanada.com



This is an application only. It does not constitute an insurance policy. Insurance shall become effective only upon the issuance of a policy or written binder specifically authorized by the company or agency. Quotations will be based upon the information provided in the application. The Applicant warrants the information provided is accurate, true, and complete.

Name of Safe Grad Committee: _____

Address: _____

City, Province: _____ Postal Code: _____

Contact Name: _____ Telephone: () _____

Additional Insured(s): _____

School Name: _____

Effective Date: _____ (MM/DD/YYYY) **Effective Time:** _____ AM PM

Expiry Date: _____ (MM/DD/YYYY) **Expiry Time:** _____ AM PM

Event Location Name: _____

Address: _____

Number of Attendees: _____

Number of Security Personnel: _____ Type of Security: _____

Type of Medical Personnel: _____

Full description of planned activities: _____

Will there be a hypnotist or magician? Yes No

Will there be a mechanical bull? Yes No

Will there be any Inflatables? Yes No

If yes, is Inflatable Coverage Required: Yes No

If alcohol is consumed, will alcohol be served by the committee: Yes No

Description of how alcohol consumption will be controlled: _____

WE CANNOT INSURE EVENTS WHERE THE EVENT IS HELD ON A CRUISE, HAS A HOT TUB, NOR IF MINORS WILL BE CONSUMING, HANDLING OR SERVING ALCOHOL. OTHER RESTRICTIONS MAY APPLY.

Limit of Liability: \$1,000,000.00 \$2,000,000.00 \$3,000,000.00 \$4,000,000.00 \$5,000,000.00

SAFE GRAD INSURANCE CHECKLIST

- Safe Grad committee consisting of both students and parents must be organized.
- Attendance of grads and guest(s) must be by invitation only.
- Invitation must be signed by a parent or guardian for each grad and guest.

Safe High School Graduation Application ~ Broker Submission

- Invitation must include the drop off address for each grad/guest, and be supplied to the committee.
- A master list will be kept at the location of the event with all grad and guest names.
- Transportation to and from the location of event must be arranged.
- Limited controlled access to the event must be in place. The event must not be publicly advertised.
- No re-entry in to the event once grad/ guest has exited.
- Identification must be worn by grads and guests throughout the event.
- If alcohol is consumed, wristbands of different colours must be worn to indicate those who are of age to consume and those who are not.
- The local police authority must be advised of the event date, time and location.
- Medical personnel on site at all times.
- No consumption of alcohol by volunteers, security, nor medical personnel.
- Alcohol must be served and controlled by the committee. Any alcohol brought to the event for consumption must be in a sealed container and given to the committee for distribution.
- MINORS CANNOT CONSUME, SERVE, NOR HANDLE ANY ALCOHOL.**

I/We hereby declare that the answers and declarations above, whether in my own hand or not, are true and that I/We warrant that no material fact has been withheld or misstated and agree that should a policy be issued this Application form and checklist will be attached to and form part of the policy and will form the basis of the contract with Underwriters. I/We agree that answers and declarations shall constitute material warranties of any policy issued. I/We further understand that the Underwriters may declare any policy issued void in the event of any false statement, misrepresentation, omission or concealment in the Application form and checklist whether made intentionally, innocently or accidentally. I/We have been advised and consent to any information that may be perceived as personal information for collection, appropriate use, and disclosure of to third parties.

Applicant's Signature: _____ Date: _____

Print Name: _____ Position: _____

BROKERAGE/ COMPANY: _____

Broker/ Agent: _____

Address: _____

City, Province: _____ Postal Code: _____

Telephone: _____ Fax: _____

Broker/ Agent E-Mail: _____

*Broker/ Agent Signature: _____

**By signing this application, you are stating that you and your brokerage are compliant with the PIPEDA.*

Safe High School Graduation Additional Information

PURPOSE: The intention of this product is to provide liability coverage against possible claims for third-party injury and/or third-party property damage resulting out of the operations of the Safe Grad event.

COVERAGE: The policy is designed to respond to sums, subject to the Limit of Liability, that the Insured may be LEGALLY obligated to pay for injuries sustained to third parties or to their property. This policy also provides supplementary coverages for legal costs for the defense of any suit alleging third-party bodily injury or property damage. This is NOT an accident policy whereby persons will be compensated because of injury. The policy protects the Insured(s) if they are NEGLIGENT and can be held at fault for the third-party injury or damage.

MEDICAL EXPENSES: Provides insurance against possible claims for medical expenses for bodily injury caused by an accident. Payments are made regardless of fault. However, medical expenses for an Insured will not be paid.

PERSONAL INJURY: Provides insurance against possible claims that may arise from such offenses as false arrest, detention, malicious prosecution, or wrongful eviction.

TENANTS LEGAL LIABILITY – BROAD FORM: Provides insurance for third-party property damage to premises rented by or occupied by the Insured. These are sums that the Insured may be legally obligated to pay as compensatory damages.