

CLARIFICATION ABOUT THIRD PARTY LIABILITY INSURANCE

This to clear up some misconceptions about Third Party Liability insurance coverage. The plan, offered through Pearson Dunn, is to enable those people and organizations not connected to our parishes, who use or rent parish facilities, to have liability protection. The parish and its parishioners are fully covered for all church activities and church-sponsored events through the diocesan Ecclesiastical Insurance policy, up to a maximum of \$10 million. Coverage does not extend to others when they are not part of a church-sponsored activity. The church cannot be responsible for the actions of these groups or people if something untoward happens to them, or if they cause damage to the property. Ecclesiastical Insurance will only pay out on claims where it can be proved that the parish was negligent.

The Third Party Insurance program is offered as a service to those who do not already have such insurance. Very often groups, such as Girl Guides, do have blanket insurance coverage, and even individuals are usually covered by their homeowner or tenant policies through the liability clause. If so, they would not have to purchase the Pearson Dunn insurance. However, they should be able to provide proof of coverage.

Questions have been raised about whether receptions held at the church, especially after funerals and weddings, need to be specifically insured under a Third Party Liability policy. Since funerals and weddings are an integral part of the church's life, and a regular part of its "operations," these events are covered under the diocesan plan. The receptions are typically an extension of these events. However, for wedding receptions where alcoholic beverages are being served, it is imperative that the organizers of the event do purchase the Pearson Dunn Third Party Liability insurance through the Synod Office, since not only the parish and diocese could be named in a lawsuit, but also the organizer of the event.

The following should be helpful in summarizing the various situations.

Insurance guidelines for renting/using parish premises

1	Use of the hall for a parish function when no alcoholic beverage is served.	<i>Covered by diocesan policy</i>
2	Use of the hall for a parish function when alcoholic beverages are served at no cost.	<i>Covered by diocesan policy</i>
3	Use of the hall for a parish fund raising event when many non-parish members will be present and no alcoholic beverage is served.	<i>Covered by diocesan policy</i>
4	Use of the hall for a parish fund raising event when many non-parish members will be present and alcoholic beverages are served at no cost to the guests.	<i>Covered by diocesan policy</i>
5	Use of the hall for a parish fundraising event when many non-parish members will be present and the parish will sell alcoholic beverages to attendees.	<i>Not covered. Must obtain a separate liability policy because of the selling of alcoholic beverages.</i>
6	Rental of the hall to a parishioner for a non-parish event when no alcoholic beverage is served.	<i>Not covered. Parishioner must provide a liability certificate for the event, or purchase Third Party Liability insurance.</i>
7	Rental of the hall to a parishioner for a non-parish event when alcoholic beverages are served.	<i>Not covered. Parishioner must provide a liability certificate for the event, or purchase Third Party Liability insurance.</i>
8	Rental of the hall to an outside organization or individual for an event when no alcoholic beverage is served.	<i>Not covered. Organization/individual must provide a liability certificate for the event, or purchase Third Party Liability insurance.</i>

(reformatted July, 2011)