

A Primer on Insurance for Volunteers

By Rick Williams

Insurance coverage for volunteers is a relatively new concern for all of those involved in voluntary action. As yet, there is no consensus of opinion regarding this issue on the part of volunteers, agencies, or volunteer organizations. At one end of a range of attitudes is the position that insurance coverage for volunteers runs counter to the spirit of voluntary action. While at the other end, some hold the position that it is too great a risk for volunteers to be in an agency where they are not adequately insured. The confusion in attitudes may, in part, explain why the practice of insuring volunteers is extremely inconsistent.

There are economic, as well as philosophic, reasons for this inconsistency. The question of who ought to bear the expense of insuring volunteers is not easily answered. As a result of the lack of consensus, some agencies have met every contingency in insuring their volunteers while some have not. In those agencies where volunteers are not fully insured, volunteers may be open to legal suits which place an unreasonable financial burden on the volunteers. They may also be entirely uninsured for medical expenses for a personal injury which occurs during their volunteer work.

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The following discussion will outline the three primary areas of insurance coverage of most concern to volunteers (Section I) and will survey the various sources from which volunteers may derive insurance coverage (Section II).

SECTION I

The three primary areas of insurance coverage are: A. Accident Insurance, B. Personal Liability, and C. Automobile Liability Insurance. A discussion of each of these areas follows.

A. ACCIDENT INSURANCE

In general, accident insurance covers the volunteer for an injury, dismemberment, or death as a result of an accident which occurs during the performance of volunteer duties. Accident insurance usually pays for such expenses as medical treatment and hospitalization. Some policies may cover care by a nurse and dental care required due to an injury to or loss of natural teeth as a result of an accident. However, policies vary. While one policy may offer the latter coverage, others may not.

One suggested figure for the limit of accident insurance coverage is \$2,500.00 per accident. This means that the actual cost of medical care up to \$2,500.00 will be paid by the insurance policy. The suggested limit for accidental death is

\$2,500.00 and the limits for dismemberment range from \$625.00 to \$2,500.00 per accident depending on the part of the body which is lost.

*(The figures for limits of coverage in all of the areas of insurance discussed in this article are suggested limits only. They are not to be considered either minimum or maximum figures. They are intended to be guidelines. Expenses covered by insurance policies vary from region to region in the United States and expenses such as the cost of medical care rise nearly every year. Consequently, a policy limit which is adequate in the Southwest may be inadequate in the Northeast and a policy limit which is adequate this year may be inadequate next year.)

Example:

While teaching an arts and crafts class a volunteer receives a serious cut to the hand.

The accident insurance policy would cover the costs of medical treatment for this injury within the limits of the policy.

If the volunteer had entirely severed a finger and it could not have been repaired, the volunteer would have received a settlement for dismemberment according to the guidelines of the policy.

Since volunteers are as likely to have an accident as paid employees, volunteers need to be covered by some form of accident insurance which, at least, provides for medical expenses should a volunteer have an accident while volunteering.

B. PERSONAL LIABILITY

This form of insurance protects the volunteer from a personal injury and/or a property damage liability claim arising out of the performance of the volunteer's assignment as a volunteer. The claimant (the person who is suing the volunteer) must prove that the volunteer is responsible in some way for an accident or the consequences of an accident. This can be interpreted in a variety of ways. For example, the volunteer may have been able to prevent the accident; the volunteer's actions in some way contributed to causing the accident; or the volunteer's actions during or subsequent to the accident caused harm or injury. In other words, the claimant must prove that the volunteer was negligent and therefore responsible for the accident

The recommended limits for liability coverage are as follows:

1. Bodily Injury - \$100,000.00 per person and \$300,000.00 per accident.
2. Property Damage - \$25,000.00 per accident.

Example:*

At a day care center a volunteer has been engaged to run a sports program for the children. During a street hockey game which the volunteer has organized and is supervising, one of the children is struck in the eye by the puck. After treatment at the hospital and by a specialist, it is found that the eye has been slightly damaged resulting in permanent impairment of the child's vision. Consequently, the child must now wear glasses.

The parents of the child feel that if proper precautions had been taken, their child would not have been injured. Also, they believe that a volunteer should not have been solely responsible for the primary supervision of the children. They have, therefore, sued both the volunteer and the agency for liability in this accident.

Personal liability insurance can pay for the costs of legal defense for both the Center and the volunteer and for a settlement within the limits of the policy should the Center and/or the volunteer be found liable.

If a volunteer delivers a service to agency clients or in any way has contact with a client during which bodily injury or property damage may occur, the volunteer may need personal liability insurance.

*(These examples are not real cases nor is there any intended implication of which party is in the right or which is in the wrong.)

C. AUTOMOBILE LIABILITY INSURANCE

Automobile liability insurance covers the volunteer for any property damage or bodily injury which results from the volunteer's operation of a motor vehicle.

One insurance company has set limits of \$250,000.00 per accident for bodily injury and \$50,000.00 per accident for property damage.

Example:

A volunteer is driving several children to the site of a day camp program. There is a blow-out and the volunteer loses control of the vehicle. An accident follows in which one of the children is injured and the vehicle hits and damages a private fence.

An automobile liability policy would cover, within the limits of the policy, the costs of medical treatment for the child or a settlement if there were a permanent injury. The policy would also cover the cost of damage to the fence.

If the volunteer uses his own vehicle no matter how irregularly, for agency business or operates an agency owned vehicle, he may need automobile liability insurance.

SECTION II.

There are four sources from which a volunteer may obtain insurance coverage. These are: 1. Personal Insurance Policies; 2. Standard Agency Insurance Policies extended to cover volunteers; 3. School Insurance Policies for students who volunteer; and 4. Special and State Sponsored Insurance Policies. Each of these four sources of insurance will be discussed as they pertain to each of the three areas of insurance coverage.

A. ACCIDENT INSURANCE

1. Personal Insurance

The volunteer or his family may have comprehensive accident, or, as it is often called, medical insurance, which may cover the volunteer in case of an accident during his volunteer work. An example of such a policy is Blue Cross/Blue Shield which the volunteer may purchase for himself or his family or may be part of employee's benefits which are offered at the volunteer's or the volunteer's parent's place of business.

2. STANDARD AGENCY INSURANCE POLICIES

Agencies generally offer some form of accident insurance to their paid employees. In some cases these insurance plans have been and can be extended to include volunteers. These policies are usually on-going comprehensive accident insurance which covers the insured individual whether the accident occurs on or off the job. Consequently, these policies are expensive. In addition, paid employees are in all states covered for accidents which occur while they are working by worker's compensation

benefits. In most states volunteers, as un-paid employees are not entitled to worker's compensation benefits.

Due to the expense of both of these forms of accident insurance, it is unlikely that many agencies have or will choose to insure their volunteers through these methods.

3. SCHOOL INSURANCE POLICIES

If the volunteer is a student, his school may offer some form of insurance for him as a volunteer in an off-campus agency.

There are two instances in which the student-volunteer may be insured. One, the school may offer an insurance package through a private insurance company. Typically these insurance policies are not mandatory for enrolled students which means that the student-volunteer must voluntarily acquire this insurance. Two, if the student-volunteer's school has a work-study program, these programs carry insurance which covers work-study students working in off-campus agencies. This coverage may be considered to include all students from a particular school who are in off-campus agencies whether they are paid or unpaid.

There are problems with these sources of insurance:

- 1) Insurance policies offered through the school from private insurance companies may not cover off-campus volunteer work. This question must be explored with each school's insurance company.
- 2) Whether work-study insurance can be extended to include all students, paid or unpaid, who are in off-campus placements must also be explored with each school's insurance company.
- 3) These two sources, school sponsored voluntary policies and work-study policies, are generally exclusively accident insurance. They do not provide coverage for either personal or automobile liability.
- 4) For both of these sources of insurance there is one over-riding criterion which the student-volunteer must meet. He must be doing his volunteer service in an academically recognized or, ideally, accredited program. If he is doing his volunteer service independent of the school's official knowledge and support, then neither

of these policies applies to him in his volunteer work.

- 5) In the case of the voluntary insurance policies offered through the school, the student-volunteer must voluntarily acquire this insurance and he must be able to afford this extra insurance.

4. SPECIAL AND STATE SPONSORED INSURANCE PLANS.

SPECIAL: Several private insurance companies have designed insurance packages specifically suited to the insurance needs of volunteers. At least one company offers coverage for all three of the basic areas: accident insurance, personal liability, and automobile liability insurance. A second company offers only accident insurance. Agencies can purchase insurance from these companies to specifically cover their volunteers in one or more of the three basic areas of insurance.

If an agency chooses not to provide ongoing accident insurance, many insurance companies offer what is commonly known as trip insurance. This alternative is for special event, time-limited activities such as a skiing or a camping trip. Thus, with this type of policy, a set number of volunteers and clients can be insured for accidents by an agency at a nominal cost (\$.50 to \$1.00 per person). A drawback for these policies is that, in general, the limits for benefits are minimal. For instance, one insurance policy of this type has an upper limit of \$500.00 per person per accident for all medical expenses.

STATE: In recent years some states, prompted either by state agencies which have large volunteer staffs or by central volunteer bureaus, have enacted statewide volunteer plans. At present, approximately 13 states have developed such plans. A general characterization of these plans is difficult to draw since both the extent and the method of coverage varies from state to state. A few states have comprehensive state supported insurance plans which are available to a significant number of volunteers but in no state is this plan available to all volunteers.

One state provides accident insurance to both state and non-profit private agencies which have properly registered their volunteers. This coverage is provided through the state's worker's compensation statutes. Another state has a similar program but the coverage is available for only those volunteers in state agencies and is not offered to volunteers in private non-profit agencies. A third state has an arrangement with an insurance company for that company to offer

insurance coverage to volunteers in both state and private non-profit agencies.

State volunteer insurance plans which are provided through worker's compensation are for accident insurance only. Also, inclusion of volunteers in worker's compensation laws does not entitle them to receive percentage-of-salary benefits for the obvious reason that volunteers are un-paid workers.

- B. PERSONAL LIABILITY INSURANCE

1. Personal Insurance Policies

A volunteer may have a homeowner's insurance policy for example, which includes personal liability insurance. This policy may not cover the volunteer while working at the direction of an agency. The volunteer's personal policy may not cover him for a liability incurred as part of his employment and the volunteer's insurance company may consider his volunteer work as un-paid employment. Thus, his policy may not cover him while volunteering. In addition, the volunteer's insurance company may regard his agency as the party responsible for providing personal liability insurance to cover him while he volunteers.

2. Standard Placement Insurance Policies

Many agencies, particularly social service agencies, carry general liability insurance for their paid employees. These policies can be extended to include un-paid employees, that is, volunteers. The decision to do so is, of course, dependent on the insuring practices of the agency's insurance company. Consequently, the practice of including volunteers in these policies will vary from insurance company to insurance company and from agency to agency.

3. School Insurance Policies

School sponsored insurance plans usually do not have provision for personal liability whether or not the student is a volunteer.

4. Special or State Sponsored Insurance Plans.

SPECIAL: Personal liability insurance can be purchased directly by agencies from at least one private insurance company which has an insurance package specifically designed for volunteers.

State: Few state plans offer personal liability coverage. Presently when this coverage is available, it is provided through a private insurance company with which the state has an agreement to provide volunteer insurance coverage.

C. AUTOMOBILE LIABILITY INSURANCE

There are two distinct situations in which a volunteer may need automobile insurance: first, if the volunteer, as part of his volunteer duties, uses his own vehicle; second, if he operates an agency owned vehicle for agency business. Both of these situations will be addressed in the following discussion.

1. Personal Insurance

If the volunteer has automobile liability insurance on his own vehicle, this can, although it does not automatically, cover him in the event of an accident during the course of agency-related business. Automobile liability insurance on private vehicles usually is limited to operation of a vehicle for personal use. A distinction is drawn between personal use of a vehicle and operation of a vehicle for business purposes. When a vehicle is operated under agency direction for agency business, this may be considered by some insurance companies to be the operation of a vehicle for business purposes. Therefore, this use may exceed the limits of a policy. Consequently, in order for the volunteer's personal vehicle insurance policy to cover him while operating his private vehicle for agency business, he may be required to have previously notified his insurance company that his vehicle would be used for agency business. The volunteer may also be required to notify his state registry of motor vehicles.

The following are two examples which are given to clarify this point:

1. Driving to and from work (including a volunteer agency) is considered personal use. Personal automobile liability insurance covers a volunteer for an accident during this time.
2. If a volunteer uses his vehicle for agency business such as transporting clients or delivering agency business materials, then his personal automobile liability insurance may not cover him for an accident during this use of his vehicle. This applies to both regular and irregular use of the volunteer's vehicle. For instance, the van which usually transports clients breaks down and in this emergency the volunteer is asked

by a properly designated supervisor to transport clients. This is considered business use and the volunteer's personal liability insurance may not apply. Also, if the volunteer is asked by a properly designated supervisor to run an errand for his agency, this is considered business use and, again, his personal liability insurance may not apply.

If an agency requests a volunteer to use his vehicle for agency business he must notify his insurance company of this use of his vehicle before he begins to use it for agency business. In most cases, if the volunteer's insurance company will insure him for this use of his vehicle, this generally means an increase in his insurance costs. The practice of many agencies is to reimburse their volunteers for this additional cost.

Whenever a volunteer uses his vehicle for agency business he needs automobile liability insurance and the primary responsibility for arranging for this coverage is the volunteer's.

The volunteer's own automobile liability insurance does not cover him when he is operating an agency owned vehicle.

2. Standard Agency Insurance Policies

Agencies who own and operate vehicles for agency business have automobile liability policies to cover paid employees who operate those vehicles. These insurance policies can be extended to include volunteers who operate the vehicles. If the agency's automobile liability insurance is not extended to specifically include volunteers, then the volunteer is not covered by this policy when he operates an agency owned vehicle.

If a volunteer uses his vehicle under the direction of his agency for agency business and there is an accident, not only can the volunteer be sued but the volunteer's agency can be sued as well. Therefore, agencies which do request that their volunteers use their private vehicles for agency business usually carry an additional insurance policy. This coverage is referred to as "not owned or hired automobile insurance." The recommended limit of this coverage is \$100,000.00 to \$300,000.00 per accident.

Agency insurance policies apply only when a volunteer is operating an agency owned vehicle and, therefore, do not cover

volunteers when they are operating their own vehicles for personal use.

3. School Insurance Policies

School sponsored insurance policies usually do not provide automobile liability coverage for student volunteers who are operating either their own or an off-campus agency's vehicle while volunteering.

4. Special or State Sponsored Insurance Policies

Special: Automobile liability insurance for volunteers can be purchased from at least one private insurance company by agencies for volunteers who operate their own vehicles for agency business. This insurance is secondary coverage only. Primary coverage must be provided by the volunteer. In case of an accident, secondary coverage applies only if the volunteer has primary coverage and if claims arising out of an accident exceed the limits of the primary coverage. In these cases primary coverage is the volunteer's personal automobile liability insurance policy.

State: There are two rather limited situations in which state-sponsored plans provide automobile liability coverage for volunteers. First, a few states have extended the state's own automobile liability insurance to cover volunteers who operate state-owned vehicles. Second, at least one state has an arrangement with a private insurance company whereby agencies can purchase automobile liability insurance for their volunteers who operate their private vehicles for agency business.

It is necessary to make a special note of waivers. Essentially waivers request the signer to release the agency from any liability or financial responsibility in case of an accident.

There are two situations in which waivers are used. First, some agencies ask clients or parents of clients to sign waivers releasing the agency from liability. Statements which constitute waivers are sometimes included in permission slips which the client's parents are asked to sign, particularly, but not exclusively for trips sponsored by agencies. Second, some agencies ask volunteers to sign waivers releasing the agency from liability. Although the legality of such procedures is still somewhat in question, the considered opinion of many lawyers is that waivers can not prevent a successful suit for liability. In other words, even though the clients of an agency

have signed waivers, the volunteer can still be sued for negligence and sued successfully. If, on the other hand, a volunteer has been or is asked to sign a waiver by an agency, this does not mean that the volunteer can not sue in case of an accident nor that the volunteer can not win such a suit against an agency which is proven negligent.

Conclusion: *The discussion of the various sources of insurance coverage may give one the impression that it is improbable that volunteers are not fully covered by at least one of the four possible sources for the three areas of insurance. This is decidedly not the case.*

A volunteer in a particular agency could easily have no insurance coverage whatsoever. Let us consider accident insurance for a student who volunteers in a state which has a state volunteer insurance plan. Theoretically, this student volunteer could be covered by his own or his family's personal accident insurance, a school sponsored insurance policy, a state sponsored insurance policy or an agency policy. Practically speaking, personal accident insurance policies are expensive. The student or the student's family may not have chosen or can not afford to purchase such a policy. Again, for the same reason of expense or because the school does not offer an accident insurance policy, the student may not have acquired insurance through this source. State sponsored insurance policies are not mandatory. The student's agency may not have chosen to or cannot join the state insurance plan. Finally, for whatever reason, the agency may not have insured its volunteers through a private insurance company. Thus, this student is not covered by any accident insurance through any of the four possible sources of coverage. As one can see, under the best possible circumstances, it is easy to fall through the insurance cracks. The possibility, of doing so is even more likely for personal and automobile liability insurance.

A second warning is in order. This one comes under the heading of "Fine Print." Even if a volunteer has an insurance policy for a particular insurance area, there may be loopholes, exceptions, and limits of coverage which preclude the volunteer from receiving the benefits of the policy or which render the policy inadequate for his situation.

As mentioned earlier, some policies which are secondary coverage do not cover

a volunteer unless he, personally, has some form of primary coverage. As for exceptions, some policies have age limits which exclude volunteers under the age of 18 from coverage. Also, the limits of coverage of some policies may be inadequate. As previously indicated, a \$500.00 maximum limit for accident insurance is not considered in this age of high medical costs, to be adequate coverage. These are only a few examples of the possible problems with insurance coverage for volunteers.

Due to the variety of insurance practices among agencies and states, each volunteer must assume the responsibility to determine his personal insurance needs and coverages. The best advice which can be given to volunteers is to seek information regarding their insurance from their insurance agents or companies and from their agencies. The volunteer's agency can be of assistance to the volunteer by including a clear and concise statement of the agency's current insurance status in its orientation packet.

*See SUMMARY CHART - pgs. 33-34.

(The author and The Korda Project disclaim any attempt to offer advice to readers of this article on insurance for volunteers. The information contained in this article is intended as a guide only. Insurance policies vary from company to company and insurance practices vary from state to state. Therefore, to ascertain the most reliable and accurate information regarding insurance coverage, each individual must seek this information from their insurance agents and companies as well as their agency.)

References

1. See Liability Protection column of "NCVA Survey of State Policies Affecting Volunteers", Voluntary Action Leadership, Winter 1977.
2. The National Center for Voluntary Action 1785 Massachusetts Ave., N.W., Washington, D. C., 20036; and The National Information Center on Volunteerism, P. O. Box 4179, Boulder, CO 80306, may have additional information on insurance companies offering volunteer insurance coverage.

SUMMARY

AREA OF INSURANCE

SOURCE OF INSURANCE

A. ACCIDENT INSURANCE

Personal Insurance Policies

Standard Agency Insurance Policies

Covers the volunteer for an injury, dismemberment, or death as a result of an accident which occurs during the performance of volunteer duties.

Comprehensive accident or medical insurance (e.g. Blue Cross/Blue Shield) personally purchased from a private insurance company. May not apply to volunteer work.

Comprehensive accident insurance policies purchased from private insurance companies can be extended to include agency volunteers.

Limit: \$2,500/
accident

B. PERSONAL LIABILITY INSURANCE

Protects the volunteer from a personal injury and/or property damage liability claim arising out of the performance of the volunteer's assignments.

Personal liability insurance policies can be purchased privately through, for example, home owners insurance plans. May not apply to volunteer work.

Policies purchased from private insurance companies can be extended to cover agency volunteers.

Limits:

1. Bodily Injury - \$100,000 per person and \$300,000 per accident.
2. Property Damage - \$25,000 per accident.

C. AUTOMOBILE LIABILITY INSURANCE

Covers the volunteer for any property damage or bodily injury claim which results from the volunteer's operation of a motor vehicle.

1. Operating a Private Vehicle.

Automobile liability policies personally purchased from private insurance companies. May not apply to volunteer work.

1. Operating a Private Vehicle

Agency policies do not cover a volunteer when he is using his private vehicle for agency business.

Limits:

1. Bodily Injury - \$250,00 per person and \$500,000 per accident.
2. Property Damage - \$50,000 per accident.

2. Operating an Agency Vehicle

Personal insurance policies do not cover the volunteer when he is operating an agency owned vehicle.

2. Operating an Agency Vehicle

Agency automobile insurance policies can be extended to cover volunteers who operate agency vehicles.

CHART

School Insurance Policies

- Two Options:
1. General accident insurance policies purchased from private insurance companies which may be extended to cover students in school-sponsored volunteer activities.
 2. Insurance policies written for work-study students may be extended to cover students in school-sponsored volunteer activities.

Usually not available from this source.

1. Operating a Private Vehicle.
Usually not available from this source.
2. Operating an Agency Vehicle
Does not apply.

Special and State Sponsored Insurance Policies

Special: A few private insurance companies offer to agencies group insurance plans specifically designed for volunteers.

State: Some states have statewide insurance plans providing insurance whether through worker's compensation statutes or insurance policies purchased from private insurance companies.

Special: A few private insurance companies offer to agencies personal liability insurance specifically for volunteers.

State: A few states have an arrangement with private insurance companies to provide personal liability insurance to agencies for properly registered volunteers.

1. Operating a Private Vehicle
Special: A few private insurance companies offer group automobile liability insurance to agencies specifically for volunteers who operate their private vehicles for agency business.

State: A few states have an arrangement with private insurance companies to provide automobile liability insurance to agencies for properly registered volunteers who operate private vehicles for agency business.

2. Operating an Agency Vehicle
Special: Does not apply

State: A few states have extended their regular automobile liability insurance policies to cover volunteers who operate state owned vehicles.

