



Insurance 102: more BARE BONES about insurance and 4-H

So you survived the first lesson about insurance- congrats! Here we go with lesson two. First off, a few definitions...

Liability: The state of being legally obliged and responsible

Subrogation: A substitution of one person for another, giving the substitute the same legal rights as the original party. For example, an insurance company may have a right of subrogation to sue anyone whom the person it compensated had a right to sue.

Another example would be the resolution of a debt: if you have a debt that you do not pay, the company that you owe can receive payment from a collections agency, and then the collections agency would have the same rights to get the debt from you as the original company.

Hold Harmless: A contract wherein one agrees not to hold the other responsible for any loss, damage or other liability regardless of the degree of actual responsibility or negligence involved. This will not prevent anyone from bringing a lawsuit- it just makes it harder for them to win.

Certificate of Insurance: Written evidence that an insurance policy has been issued, indicating both the amounts and the types of insurance- “proof” of coverage. Certificates must be personalized for each occurrence- every event, meeting place and trip needs a certificate that must be individually processed by the University’s Risk Management department.

Facility Use Agreement: A contract between the property owners and renters/people using the property. FUA’s usually contain insurance requirements, and often a wording that makes the renters liable. **The only person who can sign is the County Director. Never sign a Facility Use Agreement- you make yourself personally liable!** You also expose yourself to potential loss of your home and personal property, etc. if involved in a lawsuit and the determination is not in your favor.

So... what does this have to do with you?!

- Whenever 4-H groups work with others- at a parade, arranging a meeting location, going on field trips- the question of liability may come up.
- As you may remember, once you have become a certified leader you are “an Agent of the University” and you have liability coverage during 4-H events and activities. In a sense, the University is protecting you.
- Conversely, you have a responsibility to protect the University! How? By limiting risk whenever possible, and by requesting and using certificates of insurance.
- How do you request a certificate of insurance? Call the 4-H Office, and give them the location name and address, dates and times of activities, and contact information for the location- they’ll do the rest.
- If you have meetings in your home, the University cannot issue certificates of insurance. Therefore, you need to protect yourself! You can do this with a hold harmless agreement- ask your insurance carrier.
- Hold Harmless agreements are especially important- most likely, your neighbors won’t sue you- their insurance company will. That’s subrogation.

The bottom line: Call the 4-H Office if you have questions- we want everyone to be safe.