Frequently Asked Questions
Internships and Programming for Students

Q **Are Trust Members able to add companies that offer internships and programming for students as Additional Insureds to the School Department's Liability Policy?**

No. The Trust would only be able to issue a Certificate of Insurance evidencing the School Department's insurance coverage. It would not be able to specifically add the third party company offering internships and programming for students as an Additional Insured because of how The Trust was created.

The Trust is a risk-sharing pool for Rhode Island public entities. While it acts in the same manner as a property and liability insurance carrier, its enabling statute only allows The Trust to insure eligible entities, as identified by the statute. To enter into first party relationships with any non-eligible entity, which the Additional Insured endorsement would in effect create, would be a violation of The Trust's enabling statute.

The Trust would be able to issue a Liability Certificate as Evidence of Insurance, not Additional Insured, and in the description section the Certificate would refer to Policy language, specifically the Insuring Agreements with regards to Liability, which states " The Trust hereby agrees, subject to the limitations, terms and conditions hereunder mentioned, to pay on behalf of the "Insured Member" for all sums which the "Insured Member" shall be obligated to pay by reason of the liability imposed upon the "Insured Member" by law or assumed by the "Insured Member" under contract or agreement". The effect of this is that The Trust holds the Certificate Holder harmless on behalf of the Member, for claims arising out of the negligence of the School Department, subject to the Policy language.

A Trust Member may enter into a first party relationship with a vendor, bank, homeowners association, etc., and The Trust will support that in a third party capacity, accomplishing the same objective just in a different construct. The Member would need a written agreement or contract where it would essentially agree to indemnify and hold the third party harmless for claims arising out of the negligence of the School Department.

Q **Can The Trust provide coverage to students who participate in internships and/or School Department sponsored programs?**

No. The Liability Insurance Policy (the "Policy") provided by The Trust does not afford liability coverage to students who participate in programs offered by the Member School Departments. However, the School Department, as an "Insured Member," would be covered with liability insurance, subject to the limitations, terms and conditions of the Policy.

The Trust Liability Policy is clear that coverage only applies to "Insured Members." It states at Paragraph VI that coverage "is only intended for 'Insured Members' to the extent of reported exposures. The Trust shall not have liability or coverage for activities, operations or premises which have not been reported on coverage applications and for which premium has not been paid, *(Cont'd)*

including, but not necessarily limited to, those extending to 'related entities.'" The term "Related Entities" does not include "students" in its definition. The Policy states that Related Entities "shall mean units of the municipality which are not regarded by law as corporate bodies separate and distinct from the municipality, but which may nonetheless retain authority pursuant to Federal, State or local law to manage their own affairs independent of the municipalities governing authority."

In addition to the preamble to the Insurance Agreements section of the Policy quoted above, the definition of "Insured Member" contained in the Policy does not include "students." The two applicable Insuring Agreements in the Policy, Agreement A (General Liability) and Agreement E (Public Officials'/School Board Legal Liability) allow for coverage, subject to the limitations, terms and conditions to "Insured Members."

The term Insured Member is defined to include "all persons who were, now or shall be lawfully elected or lawfully appointed officials, trustees, directors, employees, volunteers or council members of the 'Insured Member' in the regular service of the 'Insured Member' during the existence of this insurance, and any heir, executor, administrator, assign or legal representative of said persons in the event of their death or incapacity." The term "Volunteer" also does not include "student" in its definition. It is defined in the Policy to "mean all persons acting on or behalf of the 'Insured Member' with the specific prior approval or knowledge of a responsible official of the 'Insured Member.'" Although it appears true that the students participating in the internships and School programs would be approved by School Departments, such approval would not make the students "Volunteers" for purposes of being included in the definition of "Insured Member." The students in the program would, indeed, be receiving consideration for the participation in the program, i.e., credits toward graduation.

Q Is the School Department liable for damages caused by or to students who drive themselves to internships or School Department sponsored programs?

No. The student's personal automobile policy would be the primary insurance policy when the student is using their personal vehicle. The exposure would be similar to the student's risk and expense of driving his/her own vehicle to school. Please note that if there is a claim brought against the School Department, The Trust will defend the School Department subject to the limitations, terms and conditions of the Policy.

Q Should School Departments develop a Student Internship Policy for their district outlining the programming for students?

Yes. The Trust recommends that School Departments draft, and the School Committee adopt, a Student Internship Policy that would outline the roles and responsibilities of the student, third party offering the internship, and School Department. The policy should address insurance and include a waiver of liability or hold harmless agreement.