



CATHOLIC DIOCESE of CLEVELAND

Master Insurance Program

Optional Coverages

Liquor Liability, Lost Key, Art Shows/Exhibits, Loss of Income

LIQUOR LIABILITY

Provides **\$1,000,000** limit of liability for the entity as well as the entity's employees or volunteers (*not outside caterers, etc.*) engaged in the **SELLING** or **SERVING** of alcoholic beverages. The acquisition of the necessary State permit is necessary **BEFORE** the liquor liability insurance coverage can be obtained. The premium is \$110 **per event**. Please refer to the ***Ohio Liquor Law and Procedures For Obtaining Liquor Permits and Liability Insurance*** section for a detailed explanation of procedures for obtaining permits as well as liquor liability insurance.

Should the insured parish or institution be involved in more than infrequent sales or serving of alcoholic beverages (i.e. hall rental/catering businesses operated by and for the benefit of the insured), please contact the Diocesan Property/Casualty Insurance Department for annualized coverage and rates.

LOST KEY COVERAGE

If building master keys are lost or stolen, this coverage will provide up to **\$2,000** for the cost of keys, adjustments of locks to accept new keys, or (*if required*) new locks including the cost of their installation. There is no deductible applicable for this coverage. The additional premium is **\$100**.

ART SHOWS/ART EXHIBITS

The master policy automatically provides **\$50,000** legal liability for this exposure. This coverage will expand your primary coverage to respond, regardless of fault or legal liability. Contact the Diocesan Property/Casualty Insurance Department for premium pricing information.

LOSS OF INCOME/RENTS COVERAGE

Schools, colleges, and universities insured in the master plan are protected against loss of tuition fee income through the school interruption endorsement in the property section of the policy. Locations which have hall rentals, dwelling rentals, retreat house fees, or other means of income would suffer a substantial loss if this particular income were interrupted due to a fire or other peril insured against in the policy. Loss of income/rents coverage would pay for the loss of business income sustained due to the necessary suspension of your operations during the period of restoration. The additional premium for this coverage can be obtained by calling the Diocesan Property/Casualty Insurance Department.

Special Events Liability Coverage

It is the policy of the Diocese of Cleveland that all parishes, schools, and institutions allowing either individuals or families to rent or use their facilities for various one-time "special events" require **liability insurance protection**. These individuals have the opportunity to purchase Special Events Liability Insurance through D.I.S.C. at *their* expense. Special Event insurance is NOT available for athletic events, including the rental of facilities for athletic practice. The sponsor lessee must provide their own coverage, specifically endorsed to cover liability for injury to the athletes.

However, should the individual or family have the ability to provide their own homeowners/renters liability insurance, a **Certificate of Insurance** naming (1) the parish/school/institution, (2) the Bishop of Cleveland, **and** (3) the Catholic Diocese of Cleveland, as **ADDITIONAL INSUREDS** must be provided. The **minimum** amount of coverage must be **\$500,000**. The phrase "*Additional Insured*" is **imperative** for this Certificate to be acceptable in lieu of the Special Events Liability Insurance offered through D.I.S.C. Their Certificate should be faxed directly to D.I.S.C. at (216) 621-4755 for review and approval. In addition, they must also execute a contract between themselves and your location containing the necessary hold harmless language to protect your entity and the Diocese. Please contact Attorney **Kevin Burke** in the **Diocesan Finance Office** for assistance with all of your property/facility rental contracts.

Special Events Liability Insurance provides first line protection for both the one-time user of the facility as well as the parish or institution. **It is intended to provide primary insurance protection thereby limiting financial exposure to the Diocesan Master Insurance Program.** **** PLEASE NOTE:** *This Special Events Liability Insurance is NOT intended to provide coverage for any amusement ride company, independent contractor, commercial venture, events where liquor is **sold** or an admission is **charged** and liquor is provided, or where any person/entity is engaged in a long-term property or facility lease-rental agreement with your location and/or the Catholic Diocese of Cleveland. These situations necessitate different property/liability insurance requirements and are handled separately through the Diocesan Finance Office*

Special Events Liability Insurance is administered directly through D.I.S.C. The following terms and conditions apply to the policy wording:

- Comprehensive General Liability (\$250 property damage deductible) **\$500,000** combined single limit per occurrence
- Real Property, Liability, Fire \$25,000 each occurrence
- Host Liquor Liability Included
- Additional Insured Included
- Bodily Injury Included
- Property Damage Included

The premium is **\$100 per event** for a policy period consisting of 24 hours (one calendar day).

The "**SPECIAL EVENTS LIABILITY INSURANCE COVERAGE APPLICATION FORM**" can be found at the end of this section. Please print your own form!

Below is a list of suggested guidelines to follow in determining the need for Special Events Liability Insurance.

NON-SPONSORED events that **REQUIRE** special events coverage:

- wedding receptions, bridal showers
- retirement, birthday, anniversary parties
- banquets
- dances, miscellaneous private gatherings or parties

SPONSORED events where special events coverage is **NOT REQUIRED**:

- parish or Diocesan meetings
- parish festivals, parish bazaars, or parish dinners
- parish plays, school open houses, etc.
- parish affiliated group activities (ushers club, etc.)

ORGANIZATIONS endorsed but NOT sponsored by a parish or institution, may or may not require Special Events Insurance (*discretion should be used*):

- Alcoholics Anonymous, Al-Anon, etc.
- Girls and Boys Scout troops

If you are uncertain in determining whether Special Events Liability Insurance coverage is required for a particular group/function scheduled to be held at your location, please contact D.I.S.C. or the Diocesan Property/Casualty Insurance Department for clarification.

Ohio Liquor Law and Procedures For Obtaining Liquor Permits and Liability Insurance

OHIO LIQUOR LAW

Ohio Law closely regulates the manufacture, distribution, and sale of alcohol by both individuals and organizations. Specifically with regard to nonprofit charitable institutions, Ohio law requires that such institutions obtain a temporary liquor or beer permit from the **Ohio Department of Liquor Control** for all events at which alcohol is to be sold. Ohio law also prohibits the practice of serving alcohol free of charge except in very limited and defined circumstances (see section below pertaining to "Private Parties"). Specifically, **SELLING ALCOHOL WITHOUT A PERMIT OR SERVING ALCOHOL FREE OF CHARGE UNDER CIRCUMSTANCES WHICH ARE DEFINED BY LAW AS A PRIVATE PARTY ARE A VIOLATION OF OHIO REVISED CODE §4301.58!!! ADDITIONALLY, B.Y.O.B. EVENTS ARE ALSO STRICTLY PROHIBITED BY OHIO REVISED CODE §4301.62.**

In addition to the above prohibitions, Ohio law places certain restrictions on the conduct of charitable institutions relating to the sale of alcohol pursuant to a valid liquor permit. Specifically, temporary permit holders should be aware of the following:

- the temporary permit must be displayed conspicuously on the premises where the alcohol is to be dispensed (Ohio Administrative Code 4301:1-1-21);
- all alcohol must be purchased from a wholesale brewer, distributor, or outlet and not from any retail outlet (Ohio Revised Code 4303.20 for beer and Ohio Admin. Code 4301-3-01 for spirituous liquor);
- all alcohol must be sold by the drink at twenty five percent (25%) or more above the wholesale purchase price (Ohio Admin. Code 4301:1-1-72);
- "two-for-one" specials, providing an unlimited number of servings of alcohol for a fixed price, or increasing volumes without proportionately increasing prices is strictly prohibited (Ohio Admin. Code 4301:1-1-50);
- giving away alcohol with the purchase of anything of value or the giving away gifts (e.g. door prizes) in conjunction with the sale or advertising of alcoholic beverages is strictly prohibited (Ohio Admin. Code 4301:1-1-46 D); and
- all alcohol sales must end at 1:00 a.m.

TYPES OF PERMITS

There are two types of permits available to nonprofit organizations. The first allows the holder to sell beer-only for a period of time not to exceed five days. This type of permit is known as an "**F-PERMIT.**" Organizations must apply for an F-permit at least one month in advance of the event to ensure that the permit is received prior to the event. **The fee for this permit is \$40.** Organizations are eligible to receive a maximum of two (2) F-Permits per month. Please note that the sale of anything other than beer is **illegal** with this permit!

The second type of permit allows the holder to sell beer, wine, and spirituous liquor for a period of time not to exceed two days in an area that has been voted wet through local option for such beverages. This permit is known as an "**F-2 PERMIT.**" As with the F-permit, organizations should apply for an F-2 permit at least one month prior to the scheduled event. **The fee for this permit is \$150.** Please note that organizations are eligible to receive a maximum of two (2) F-2 Permits per calendar year.

When applying for either type of permit, your organization will be required to provide evidence of its non-profit, tax exempt, charitable status as part of the application process. In addition, both permit application forms require the signatures of both local law enforcement authorities and the owner of the real property on which the event is to be held (*which can be the parish pastor/administrator for purposes of events held on parish property*). Such signatures provide evidence of their respective acknowledgment and consent to the sale of alcoholic beverages on the premises. Finally, the application must include a description, including a drawing, of the area (indoors or outdoors) where the alcoholic beverages will be consumed and how the area will be separated (Ohio Revised Code 4303.202 and Ohio Administrative Code 4301:1-1-34).

OBTAINING A TEMPORARY LIQUOR PERMIT APPLICATION

Please do not call the Diocese for permit applications! To obtain temporary liquor permit applications you may do one of the following:

- call your local permit office or the State of Ohio - Division of Liquor Control, Permit Division, 6606 Tussing Road, Reynoldsburg, Ohio 43068, Telephone: (614) 644-2431, Fax: (614) 644-3166, to request an application be mailed to you; or
- visit the Ohio Department of Commerce, Division of Liquor Control, on the web at <http://www.com.ohio.gov/liqr/forms.aspx> to download and print an application.

ALCOHOL AND GAMBLING

Pursuant to Ohio law, tax exempt charitable organizations may conduct certain fund raising gambling activities as allowed by Ohio Revised Code §2915. Additionally, it is generally permissible to have charitable gambling and the sale of alcohol at the same event. It should be noted, however, that **THE LAW STRICTLY PROHIBITS THE HOLDER OF A LIQUOR PERMIT FROM CONDUCTING TRADITIONAL BINGO ON THE SAME PREMISES WHERE ALCOHOL IS SOLD AND CONSUMED** (Ohio Admin. Code 4301:1-1-53).

PRIVATE PARTIES

A parish or parish organization holding a private party at which alcohol will be served is not required to obtain a liquor permit or Liquor Liability Insurance. To be considered a private party under the law, all of the following must be true of the event:

- The event is not open to the public (i.e. the event is by invitation only or is open only to a limited and definable class of persons);
- Admission to and participation in the event is free of charge (i.e. no admission price, donation, or prepaid ticket/admission required); **AND**
- The alcohol at the event is provided by the host or hosting organization free of charge (i.e. alcohol is not in any way sold to or paid for by the invitees or attendees).

If the event does not have all of the above characteristics, a liquor permit and Liquor Liability Insurance must be obtained and all legal requirements observed relative to the sale and consumption of alcohol. It is important to note that an event or party may be construed as being open to the public if the host or hosting organization fails to restrict or control uninvited guests from attending. Therefore, if you will not have procedures in place to ensure that uninvited guests will be excluded, a liquor permit and Liquor Liability Insurance should be obtained.

THE INSURANCE PROCEDURES

When you obtain a liquor permit, Ohio law protects you for incidents occurring on your premises, provided you do not serve persons under twenty-one (21) years of age, allow persons to buy beer or intoxicating liquor for the consumption by minors, or serve persons noticeably inebriated. The Liquor Liability Insurance that must be purchased for every event protects your location, the Bishop, and the Diocese of Cleveland against incidents occurring, with \$1,000,000 maximum coverage, once your guests leave your event after consuming alcoholic beverages.

In order to obtain the mandatory Liquor Liability Insurance **a copy of the liquor permit must to be sent to the Diocese five (5) days prior to the event.** Include a check for **\$110**, made payable to the **DIOCESAN INSURANCE SERVICE CORPORATION (D.I.S.C.)** and send it to:

Property/Casualty Insurance Department
CATHOLIC DIOCESE OF CLEVELAND
1404 East Ninth Street, Eighth Floor
Cleveland, Ohio 44114-1722

This liquor liability coverage through D.I.S.C. is available **ONLY** to the parishes and institutions participating in the D.I.S.C. Master Insurance Program for events held on their premises. Should you have further questions, please call (216) 696-6525 or 1-800-869-6525, Extension 6490, Monday through Friday, between 8:30 a.m. and 5:00 p.m.

Resident Trust Surety Bond

Section 3721.15 of the Ohio Revised Code requires **any nursing home or residential facility** that manages the financial affairs of its residents to purchase a surety bond or otherwise provide assurances to the Director of the State of Ohio Department Human Services to insure the security of all resident funds.

SURETY BOND

A facility may purchase a surety bond in the full amount of resident funds deposited with the facility. The issuer of this bond must be licensed and approved to do business in the State of Ohio. D.I.S.C. can provide this surety bond for your location. The bond premium is **\$10** for every **\$1,000** of deposited resident funds. An application must be completed and submitted along with your location's latest annual corporate financial statement. Please contact the D.I.S.C. agency directly if this bond is desired.

ALTERNATIVES TO SURETY BONDING

Self-insurance and letters of credit are acceptable alternatives to a surety bond **only** if they meet the following criteria:

- are set up in a separate bank account (other than the account wherein the resident funds are actually held) that has sufficient funds to cover the full amount of resident funds held;
- the account should be identified as the "Surety or Security for Residents' Fund Account";
- the nursing home or long-term care facility must forward to the Ohio Department of Human Services a copy of the account documents including the account number, along with a letter from the bank or financial institution where the account is held stating these funds will be used solely to pay for the loss of residents' funds; and
- the funds should be payable to the Ohio Department of Human Services on behalf of the resident or residents.

All alternatives to a surety bond must be submitted to and approved by the Ohio Department of Human Services.

Revised 08/09



SPECIAL EVENTS LIABILITY INSURANCE APPLICATION

Notification of an event must reach DISC no less than 48 hours in advance to obtain coverage.

LIMITS OF LIABILITY

\$1,000,000 combined single limit per occurrence (Host liquor liability included)

↓ LOCATION TO BE INSURED ↓

DISC Location Number _____ **PLEASE PRINT & COMPLETE ALL SECTIONS**

Name of Parish, School, or Institution _____

Street Address _____

City _____ State _____ Zip Code _____

Telephone _____ Pastor/Administrator _____

↓ APPLICANT ↓

Name of Party Requesting Coverage _____

Address _____

City _____ State _____ Zip Code _____

Contact Person _____

Home Telephone _____ Daytime Telephone _____

↓ NON-DIOCESAN / NON-PARISH EVENT INSURED ↓

Date _____ Time of Event: *from* _____ *until* _____

Type of Event (reception, banquet, shower, etc.) _____
 *Athletic events are NOT covered.

Are you bringing any equipment onto the site? _____ No _____ Yes*
 *If yes, please describe in detail on the back of this form.

Approximate Number of Participants _____ Is food being served? _____ No _____ Yes

Are alcoholic beverages, including beer or wine, being served? _____ No _____ Yes*
 *If yes, are you charging admission? _____ No _____ Yes

NOTE: The SELLING of any alcoholic beverage at your event is STRICTLY PROHIBITED!!

The Ohio Department of Liquor Control allows only non-profit charitable institutions to obtain a temporary beer/wine/liquor permit for events where such alcoholic beverages are sold. Under the law, a permit is required for anyone selling alcoholic beverages; selling is defined to include any form of remuneration for alcoholic beverages, including where such beverages are provided as part of an admission ticket price.

The insurance being applied for by this application DOES NOT cover liquor liability at any event open to the public or at any event where alcoholic beverages are SOLD!

Premium: \$100 (One calendar day/ twenty-four hours)

Please make checks payable to: "Diocesan Insurance Service Committee" or "DISC"

Complete form and mail along with payment to:

Diocesan Insurance Service Committee
1100 Chester Avenue, Suite 300 • Cleveland, Ohio 44115-1404
Phone: 216-621-7183

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