

Local Government Insurance Trust

RISK MANAGEMENT BULLETIN

No. 85

May 24, 2002

Police Secondary Employment Coverage Limitations and Fraternal Order of Police (FOP) Insurance Programs

In light of the issues raised in our Secondary Employment Seminars, we want to reemphasize for our members the insurance coverage limitations, and exclusions, in this area. We also want to reiterate our risk management recommendations, and inform members of the availability of the Secondary or Moonlighting insurance program available through the Fraternal Order of Police (FOP).

First, LGIT's Liability Scope of Coverage provides only limited Secondary Employment coverage. Coverage is afforded only where the chief law enforcement officer has approved the employment, and where the off-duty law enforcement officer is still acting, or can be recognized as acting, in his or her official capacity as the member's law enforcement officer. The Scope of Coverage does not encompass secondary employment of any other kind. Furthermore, coverage is excluded for security related secondary employment if the off-duty officer wears the uniform of the private employer, and/or, in the absence of the express approval of LGIT's Board of Trustees, the off-duty officer is employed as a security guard outside the member's jurisdiction.

Second, in light of these express coverage limitations and exclusions, we strongly recommend that our members approve only that secondary employment for which coverage exists. Otherwise, both the member and its off-duty officer may find themselves without insurance coverage. Thus, if a member approves secondary employment not within the existing Scope of Coverage, the risk, in all likelihood, will be borne by the off-duty officer, the secondary employer and its insurer, and the member, without the protection of insurance coverage. Although often impractical when dealing with smaller secondary employers, we strongly recommend that members require a certificate of insurance from the secondary employer, which includes a Police Liability policy that names the off-duty officer and the member as additional insureds. Also, while a certificate of insurance evidencing a Commercial General Liability (CGL) policy, including a Security Officer Endorsement, offers some additional protection, it does not protect against most, if not all, claims arising from alleged federal and state statutory and/or constitutional violations. In response to the narrow Scope of Coverage, it is extremely important that members implement, update, and enforce secondary employment policies and regulations. LGIT has Secondary Employment Approval Applications, Secondary Employer/Officer/Local Government Agreements, and other loss control material available for your review. Please do not hesitate to contact Dick Furst and Vance Petrella for loss control recommendations; Scott Soderstrom or Ellen Nudd for coverages; and Sherri Butler or Elisabeth Beekman for claims. In addition, our Risk Management Manual now includes a section concerning Secondary Employment. This new section will be mailed to you shortly for inclusion in your manual.

Sponsoring Organizations



Finally, we recommend that each law enforcement officer applying for Secondary Employment be required to purchase an individual Moonlighting liability policy through the Fraternal Order of Police, or any similar entity offering such coverage. This is urged most strongly in situations where the secondary employer will not provide a Police Liability policy. This coverage will further protect the individual officer and member from moonlighting claims, especially where such claims fall outside of LGIT's Scope of Coverage. The cost of such policies is only \$150 per year for FOP members, and \$250 for non-FOP members. The policy provides a \$100,000 coverage limit, and covers most civil claims, including federal and state constitutional violations. A quote can be obtained by calling the Hylant Group, which manages the program for the Fraternal Order of Police, at 1-800-341-6038, or by going on-line at www.fophylant.com.

As always, please do not hesitate to contact us or visit our website at www.lgit.org for any further information.

This bulletin is intended to be merely informational and is not intended to be used as the basis for any compliance with federal, state or local laws, regulations or rules, nor is it intended to substitute for the advice of legal counsel.