

Rotary International

# U.S. Rotary Clubs and Districts Liability Insurance Program

Insurance Policy Summaries

Risk Management  
July 2018

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# U.S. Rotary Clubs and Districts Liability Insurance Program

## PROGRAM POLICY SUMMARIES

### GENERAL LIABILITY POLICY SUMMARY

The U.S. Rotary Clubs and Districts Liability Insurance Program ("Program") provides general liability insurance coverage to all active U.S. Rotary clubs and districts for their liability arising out of bodily injury and property damage to a third party, subject to policy terms and conditions. Below is an overview of the general liability insurance provided by the Program.

**Note:** *All Rotarians and club and district volunteers are expected to have their own personal health, auto liability, and property insurance.*

#### INSURANCE QUESTIONS

If you have questions, please contact:

**Gallagher Insurance Broker**

**Phone:** (833) 3ROTARY or (833) 376-8279

**Email:** [rotary@ajg.com](mailto:rotary@ajg.com)

#### INSURANCE ASSESSMENTS

Annual assessments are charged to all insured U.S. Rotary clubs through the July Club Invoice. Insurance Assessments fund the \$250,000 self-insured retention and cost of commercial primary and excess insurance premiums. The cost of insurance depends, among other factors, on claim experience. It is important to make safety a priority when conducting all activities and events to prevent or minimize claims.

#### HOW TO GET A CERTIFICATE OF INSURANCE

To get a certificate of insurance, please visit the **Quick Links** section of **Gallagher Insight**, the website set up for U.S. Rotarians. If you need an Additional Insured endorsement, please email a copy of the contract or permit application requiring the Additional Insured endorsement to Gallagher at ([rotary@ajg.com](mailto:rotary@ajg.com)).

#### LIMITS

\$ 250,000	Self-Insured Retention ( <i>All claims are paid by U.S. Rotarians through insurance assessments</i> )
\$ 2,000,000	Per occurrence for general liability (primary commercial layer)
\$ 2,000,000	Non-owned and rented auto liability (excess of personal auto liability insurance)
\$ 500,000	Per premises for damage to rented premises
\$ 5,000	Medical expense for third parties – not Rotarians. No coverage is provided if injury sustained while participating in an athletic event such as a bicycle ride or golf tournament. Because the \$5,000 falls within the \$250,000 self-insured retention medical payments are not shown on a certificate of insurance.
\$ 5,000,000	Per occurrence excess liability

Rotary International purchases additional limits for catastrophic losses.

#### COVERAGE TERRITORY

The general liability insurance policy provides coverage for claims that occur in the U.S., its territories and possessions, and Canada. Limited coverage is available for claims that occur worldwide, if the claim is brought or lawsuit is filed in the U.S., its territories and possessions, or Canada. For an e-club chartered in the U.S. coverage is provided to club members while acting within the course and scope of their roles for the entities included in the Named Insured entities (see below).

# U.S. Rotary Clubs and Districts Liability Insurance Program

## PROGRAM POLICY SUMMARIES

### NAMED INSURED ENTITIES

These active Rotary organizations in the U.S. and its territories and possessions are named insureds under the Program:

- Rotary clubs (including newly chartered Rotary clubs)
- Rotary districts
- Rotary club foundations\*
- Rotary district foundations\*
- Interact clubs
- Rotaract clubs
- Rotary Community Corps
- Certified youth exchange organizations (certified by Rotary International)
- Rotary Youth Leadership Awards (RYLA)
- President-elect training seminar organizations (including multi-district organizations)

*Insureds include members, employees, and volunteers of these organizations while acting within the course and scope of their roles for the above organizations.*

\* The following criteria are considered when confirming a U.S. Rotary club foundation or district foundation is covered as a named insured under the Program:

- Foundation was created by a formal decision of a Rotary club or district;
- All of its principals, officers, and board members are dues-paying Rotary club members, other than honorary members;
- The Rotary club or district that created the foundation should have the sole authority to name or remove foundation board members;
- The foundation is income tax-exempt under section 501(c)(3) of the Internal Revenue Code;
- The foundation operates with the sole purpose of supporting the goals of the Rotary club or district through fundraising and contributions to nonprofit organizations and/or individuals in need.

### ENTITIES NOT INSURED

Below are some of the organizations that are not insured under the Program:

- Provisional Rotary clubs
- Fellowship organizations
- Rotary Action Groups
- Inner Wheel organizations
- Gift of Life organizations
- Youthact
- Earlyact or similar organizations
- Youth exchange organizations not certified by Rotary International
- Other entities created by Insureds (other than the organizations listed under Named Insured Entities).

However, clubs and districts are covered for their vicarious liability for general liability claims arising from these organizations. Vicarious liability occurs when there are allegations of liability for the negligent actions of another organization, without direct responsibility for the injury or damage

## U.S. Rotary Clubs and Districts Liability Insurance Program

### PROGRAM POLICY SUMMARIES

#### NOTABLE COVERAGES

The Program also includes:

- **Liquor Liability** for damages to a third party arising from the selling, serving or furnishing of alcoholic beverages. Coverage is included for a club/district that is selling, serving, or furnishing alcoholic beverages.
- **Non-Owned/Rented Auto Liability** for the use of hired, leased, borrowed, or non-owned autos. This excess coverage is intended for insured entities only and does not extend to individual automobile owners.
  - If the Rotary club/district owns an auto, it must be separately insured by the club/district.
  - There is no comprehensive or collision coverage for **damage** to any auto operated by the club/district.

**Note:** The coverage territory for non-owned/hired auto liability coverage is limited to only the U.S., its territories and possessions, and Canada.

#### EVENTS WITH ATTENDANCE EXCEEDING 25,000

Rotary clubs that organize events exceeding 25,000 attendees over the entire event period are required to:

- Report such events to [insurance@rotary.org](mailto:insurance@rotary.org)
- Purchase primary general/special events liability (including liquor liability if applicable) insurance with a minimum limit of \$1 million per occurrence/\$2 million aggregate
- Send Risk Management a copy of the policy or a certificate of insurance evidencing the coverage purchased
- The Program provides excess coverage above this required policy.

#### INCIDENT REPORTING

Please immediately report all incidents and/or losses to Risk Management. Insurance coverage will be jeopardized if you voluntarily promise insurance coverage, make payments, or assume any financial obligation, other than providing first-aid, without the insurance company's consent. The Incident Report form is on *Gallagher Insight* and can be submitted to Risk Management by email to [claims@rotary.org](mailto:claims@rotary.org) or by fax to (847) 556-2147. An Incident Report is notice of an occurrence/loss that may or may not lead to a compensable claim.

#### EXCLUSIONS

Some of the notable exclusions listed in the General Liability Insurance Policy are below. If separate insurance is needed, please contact a local insurance professional. Refer to the Loss Prevention Strategies under Quick Links on *Gallagher Insight* for additional information on a particular topic.

Exclusion	Comments
<b>Aircraft or Automobile Liability.</b> Bodily injury or property damage arising from the ownership, maintenance, use or entrustment to others of any owned aircraft or automobile. Use includes loading and unloading. This exclusion also applies to allegations of negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others.	If your club/district owns an automobile or aircraft coverage for the automobile or aircraft must be purchased by the club/district. Consider obtaining non-owned aviation liability insurance if your club/district organizes an event with an aircraft it does not own.

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### PROGRAM POLICY SUMMARIES

<p><b>Athletic Activities.</b> Medical expense payments coverage for bodily injury to a person injured while practicing, instructing, or participating in any physical exercises or games, sports, or athletic contests is not provided, unless there is legal liability resulting from the negligence of your club/district.</p>	<p>Have all participants sign a release. Your club/district could also purchase an accident policy for participants.</p>
<p><b>Criminal Acts or Expected or Intended Injury</b></p>	
<p><b>Fireworks (Pyrotechnics).</b> Bodily injury or property damage arising from the transportation, delivery, storage, set-up, detonation, takedown, or clean-up of fireworks by an insured or additional insured is excluded. However, this exclusion does not apply to an insured's vicarious liability arising from the transportation, delivery, storage, set-up, detonation, takedown, or clean-up of fireworks by a third party, provided the third party is not a pyrotechnics company or other company hired by Rotary club to detonate fireworks.</p>	<p>Your Rotary club should not sign the agreement with the pyrotechnic firm; it should be entered into and signed by another organization or municipality. The pyrotechnic firm should carry a limit of \$5M and name your club as an additional insured. If your club does sign the agreement with the pyrotechnic firm, your club should purchase a primary stand-alone policy with a limit of \$5M-\$10M.</p>
<p><b>Infringement of Copyright, Patent, Trademark or Trade Secret.</b> Personal or advertising injury arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.</p>	<p>Consider purchasing media liability insurance if your club/district has a significant multimedia exposure. If your club hires a media professional to prepare brochures, flyers or a website, require that the media professional carry media liability coverage.</p>
<p><b>Mobile Equipment.</b> Bodily injury or property damage arising out of (1) transportation of mobile equipment by an auto owned or operated by or rented or loaned to any insured or (2) the use of mobile equipment in, or while in practice for, or while being prepared for, any prearranged racing, speeding, demolition, or stunting activity (go-carts, demolition derbies, coaster races, snowmobile races, monster truck events, lawnmower races, etc.).</p>	
<p><b>Money or Currency Losses.</b> This includes theft by a Rotarian or others.</p>	<p>Consider purchasing crime insurance (aka fidelity bond, or employee dishonesty bond) if your club/district desires coverage for theft of its funds. Include coverage for your club/district's foundation if applicable.</p>
<p><b>Privacy or Security Breach.</b> Injury arising from breach of personally identifiable information, protected health information, or payment card information.</p>	<p>Consider purchasing cyber or data protection insurance if your club/district has a significant exposure.</p>

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### PROGRAM POLICY SUMMARIES

<p><b>Professional Services.</b> Rendering of or failure to render any professional services. A professional service is one arising out of an occupation involving specialized knowledge, labor, or skill. Examples: doctors, dentists, auditors, accountants, architects, or engineers.</p>	<p>Consider purchasing the appropriate professional liability or errors and omissions liability insurance coverage if your club/district has a professional exposure. Require any professional contracted with to provide evidence of their professional liability coverage.</p>
<p><b>Property.</b> Damage to property of any kind (whether leased, borrowed, or owned) while in the insured's care, custody or control.</p>	<p>Consider obtaining property insurance if your club/district desires insurance for its property.</p>
<p><b>Rotarian Bodily Injury/Illness.</b> All Rotarians and volunteers are expected to have their own health insurance. The Program provides third party liability, not first-party (Rotarian) health insurance.</p>	<p>Consider purchasing accident coverage or travel insurance for accidental injury or illness for those serving abroad.</p>
<p><b>Watercraft Liability.</b> Liability from any owned watercraft or the use of non-owned watercraft 51 feet or greater in size.</p>	<p>If your club/district owns a watercraft or operates non-owned watercraft greater than 51 feet, consider purchasing appropriate watercraft liability insurance.</p>
<p><b>Workers Compensation</b> and Similar Laws. Any obligation of the insured under workers' compensation, disability benefits, or unemployment compensation laws.</p>	<p>Obtain workers' compensation insurance with employer's liability coverage if your Club/District is an employer or uses an independent contractor that could be considered an employee by statute. Your Club must comply with statutory regulations.</p>
<p><b>Youth Exchange Programs.</b> Those not certified by Rotary International.</p>	<p>Only Certified Youth Exchange Programs are included in the named insured.</p>

**Note:** Please review the insurance policy posted on *Gallagher Insight* for more information about the terms and conditions of coverage.

# U.S. Rotary Clubs and Districts Liability Insurance Program

## PROGRAM POLICY SUMMARIES

### DIRECTORS' & OFFICERS / EMPLOYMENT PRACTICES LIABILITY POLICY

#### SUMMARY

The U.S. Rotary Clubs and Districts Liability Insurance Program ("Program") provides directors & officers/employment practices liability (D&O/EPL) insurance to active U.S. Rotary clubs and districts. Below is an overview of the D&O/EPL insurance provided by the Program.

**Directors & Officers Liability (D&O) insurance** provides coverage for claims made against club/district directors and officers that result from their activities, such as managing financial affairs and establishing policies. Please see the definition of D&O Claim on page 3.

**Employment Practices Liability (EPL) insurance** provides coverage for claims arising out of club/district employment related practices. Please see the definition of Employment Practices Claim on page 11.

**Note:** Rotary club members are added to the definition of an employee.

#### INSURANCE QUESTIONS

If you have questions, please contact:

Gallagher Insurance Broker

Phone: (833) 3ROTARY or (833) 376-8279

Email: [rotary@ajg.com](mailto:rotary@ajg.com)

#### INCIDENT REPORTING

Please immediately report all incidents to Risk Management by email to [claims@rotary.org](mailto:claims@rotary.org) or by fax (847) 556-2147.

#### INSURANCE ASSESSMENTS

All active Rotary clubs and districts in the U.S. and its territories and possessions participate in the Program. Insurance Assessments fund the \$25,000 self-insured retention and cost of commercial primary and excess insurance premiums. The cost of insurance depends, among other factors, on claim experience. When claims expenses increase, so do the insurance assessments.

#### LIMITS

\$ 25,000	Retention ( <i>All claims are paid by U.S. Rotarians through the insurance assessments</i> )
\$ 2,000,000	per Claim
\$ 20,000,000	Aggregate

#### COVERAGE TERRITORY

Worldwide, where legally permissible.

#### NAMED INSURED ENTITIES

These active Rotary organizations in the U.S. and its territories and possessions are named insured under the Program:

- Rotary Clubs (including newly chartered Rotary clubs)
- Rotary districts
- Rotary club foundations\*

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- Rotary district foundations\*
- Interact clubs
- Rotaract clubs
- Rotary Community Corps
- Certified youth exchange organizations (certified by Rotary International)
- RYLA (Rotary Youth Leadership Awards)
- President-elect training seminar organizations (including multi-district organizations)
- Other Rotary organizations as on file with the Rotary International Risk Manager

Insureds include any past, present, or future director, trustee, officer, employee or volunteer of the Named Insured Entities when acting within the course and scope of their duties on behalf of a Rotary club or district.

\* The following criteria are considered when confirming a U.S. Rotary club foundation or district foundation is covered as a named insured under the Program:

- Foundation was created by a formal decision of a Rotary club or district;
- All of its principals, officers, and board members are dues-paying Rotary club members, other than honorary members;
- The Rotary club or district that created the foundation should have the sole authority to name or remove foundation board members;
- Is income tax-exempt under section 501(c)(3) of the Internal Revenue Code;
- Operate with the sole purpose of supporting the goals of the Rotary club or district through fundraising and contributions to nonprofit organizations and/or individuals in need.

### **ENTITIES NOT INSURED**

Below are some of the organizations that are not insured under the Program:

- Provisional Rotary clubs
- Fellowship organizations
- Rotary Action Groups
- Inner Wheel organizations
- Gift of Life organizations
- Youthact, Earlyact or similar organizations
- Youth exchange organizations not certified by Rotary International
- Other entities created by insureds (other than the organizations listed under Named Insured Entities)

### **DEFINITIONS**

See the D&O/EPL policies for a complete list of definitions.

### **D&O Claim**

Includes any of the following actions against any Insured for a Wrongful Act:

- A written demand for monetary or non-monetary or injunctive relief commenced by the Insured's receipt of such demand, including written demand that the Insured toll or waive a statute of limitations
- A civil proceeding commenced by the service of a complaint or similar pleading
- An administrative or regulatory proceeding commenced by the filing of a notice of charges or similar document
- A civil, criminal, administrative or regulatory investigation commenced by the service upon or other receipt by the Insured Person of a target letter or other written notice from the investigating authority identifying by name the Insured Person as an individual against whom a proceeding may be commenced



## U.S. Rotary Clubs and Districts Liability Insurance Program

### PROGRAM POLICY SUMMARIES

- An official request for the extradition or the execution of a warrant for the arrest of any Insured Person where such execution is an element of extradition
- An arbitration or mediation proceeding against any Insured.

#### Employment Practices Claim

A claim brought and maintained against an Insured for any Wrongful Act in connection with any actual or alleged:

- Breach of any express or implied employment contract
- Violation of any law or public policy concerning discrimination in employment whether based upon race, national origin, religion, sex, age, sexual preference, marital status, disability, medical leave or genetic predisposition
- Employment-related events including without limitation wrongful termination, failure or refusal to hire or promote; wrongful discipline; wrongful reference, deprivation of career opportunity, demotion or adverse change in terms, conditions or status of employment; wrongful failure to grant tenure; humiliation; retaliation for asserting a legal right; workplace harassment; negligent hiring, retention, supervision, training or performance evaluation; and employment-related misinterpretation, defamation, invasion of privacy or infliction of emotional distress.

#### Insureds:

Any one or more Insured Persons and the Named Insured Entity.

#### Insured Persons:

Any one or more past, present or future director, trustee, governor, manager, officer, employee (club members and volunteers are included in the definition of an employee), or member of duly constituted committee or board of the Named Insured Entity.

#### Wrongful Act:

Any error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted by any of the Insured Persons, individually or otherwise, in their capacity as such, or by the Named Insured Entity; or any matter claimed against them solely by reason of their serving in such capacity for the Named Insured Entity.

### EXCLUSIONS

See the D&O/EPL policies for a complete list of exclusions.

- Losses brought or maintained by or on behalf of the Named Insured Entity or any Insured Person in any capacity
- Any deliberately fraudulent act or omission or any willful violation of any statute or regulation committed by such Insured, if a judgment or other final adjudication adverse to such Insured establishes such a deliberately fraudulent act or omission or willful violation
- Losses arising out of, or attributable to such Insured gaining in fact any personal profit, remuneration or advantage to which such Insured was not legally entitled
- Losses arising out of a circumstance or situation which has been the subject of any written notice given under previous D&O/EPL insurance policies
- Losses arising from service by an Insured Person in any position or capacity in another organization, even if the Named Insured Entity requested an Insured Person to serve in another position or capacity
- An alleged infringement of copyright, patent, trademark, trade name, trade dress or service mark or misappropriation of ideas or trade secrets

## U.S. Rotary Clubs and Districts Liability Insurance Program

### PROGRAM POLICY SUMMARIES

- Losses arising out of rendering or failing to render any service to a customer or client or any fee or other compensation actually or allegedly paid or payable for such services.
- Losses based upon, arising out of, or attributable to any bodily injury, mental anguish, or property damage including loss of use thereof.
- For claims against the entity, losses for any actual or alleged liability of that entity under any written contract or agreement, except to the extent the entity would have been liable in the absence of the contract.
- Losses from an actual or alleged violation of employment related laws, except for actual or alleged retaliatory treatment of the claimant because of their exercise of their rights under those laws.

**Note:** Please review the insurance policy posted on *Gallagher Insight*, the website set up for U.S. Rotarians, for more information about the terms and conditions of coverage.

### HOTLINE

The insurance company offers telephone consultation services with attorneys to assist in employment and discrimination related issues. The toll free number is (866) 758-6874.

### HR CARE SERVICES

HR Care is an online website that provides resources on employment related matters. Please visit [www.hrcare.com/zurich](http://www.hrcare.com/zurich)

**Username:** zurichus **Password:** racecar

**Note:** Make sure to read and check the “Accept Terms” box.

I went to look at the website to see if the password still worked but couldn't see where to sign in