

RISK MANAGEMENT FOR YOUR CLUB U.S. Rotary Club & District Liability Insurance Program Tim Lundell

District 5170 District Governor 2018-19

Courtesy of Peter W. Griffith CPCU, ARM

District 5340 Insurance Chair



Resources Insurance Coverage • Exclusions Certificate of Insurance Risk Management – Events/Activities Insurance Claims **Q&A**



RESOURCES



Resources: Websites

Insurance Information Portal

www.locktonportal.com/sites/rotary/resources
 Username: Rotarian
 Password: Resources#1

Insurance web page on www.rotary.org

- <a>www.rotary.org/en/Members/GeneralInformation/Insurance
- Type "Insurance" in search box on <u>www.rotary.org</u>



Resources: Broker & RI Risk Mgmt

Lockton

- Toll Free:
 - **1-800-921-3172**
- E-mail:
 - rotary@lockton.com
- **RI Risk Management**
 - E-mail:

insurance@rotary.org

Availability:

• Monday – Friday, 6:30 am – 2:30 pm, Pacific Time





INSURANCE COVERAGE

* Nothing in this presentation shall be construed to extend, alter, vary, or waive any of the provisions of the actual insurance policies.



General Liability ("GL")

Directors' & Officers' / Employment Practices Liability ("D&O/EPL")



• What is it?

• Third Party Claims of Bodily Injury & Property Damage Against Insured

Subject to policy terms & conditions

KNOWLEDGE CHECK:

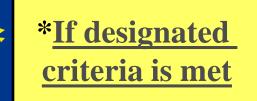
Who's a 3rd party?

Anyone who is not considered an insured. Usually refers to someone who is <u>not</u> a Rotarian or Volunteer.



- Who's covered? Who's Insured?
 - Rotary Club
 - Rotary District
 - Rotary Club Foundation*
 - Rotary District Foundation*
 - Interact Club
 - Rotaract Club
 - Rotary Community Corp.
 - Certified Youth Exchange Organization
 - RYLA
 - PETS

• Only U.S. Rotary entities!





Who else is covered? Who else is insured?

- Rotarians
- Volunteers

<u>KNOWLEDGE CHECK</u>: A Rotarian has a hernia while working on a Club project's construction site and receives medical care. Is there coverage?

No.

within

volunteer

hal property damaged.



Policy Period:

• *1 July – 30 June*

Policy Limits:

• Up to \$7,250,000 per occurrence

• That includes \$250,000 self insured retention

KNOWLEDGE CHECK:

Would a Club have to pay a deductible when there's a claim? **Nope.**



Liquor Liability

Non Owned & Rented Auto Liability

- This is <u>EXCESS</u> coverage
- Does NOT provide coverage in Mexico

KNOWLEDGE CHECK:

Does this insurance cover a caterer hired to serve alcohol at our event?



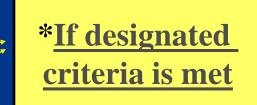




Coverage – D&O/EPL Insurance

Who's covered? Who's Insured?

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- RYLA
- PETS
- Only U.S. Rotary entities!
- Same list as GL insurance!





Coverage – D&O/EPL Insurance

• Who else is covered? Who else is insured?

- Director
- Trustee
- Officer
- Rotarian
- Employee
- Committee Member
 - <u>But</u> only with respect to their liability for acts within the course and scope of their duties on behalf of a Rotary Club or District.



Coverage – D&O/EPL Insurance

Policy Period:

• Will be same as Rotary Year, 1 July – 30 June

Policy Limits:

- Up to \$2,025,000 per claim
- That includes \$25,000 self insured retention

KNOWLEDGE CHECK:



Insurance Not Provided

 Crime (a.k.a Dishones

Property

Workers' Comp

Health, Travel
Aircraft, Aut

The individual's or family's health or travel insurance should apply.

KNOWLEDGE CHECK:

Student in Central America

on service project gets sick

from drinking tap water.

Is there coverage for their

medical care?



Coverage Territory

GL

• Worldwide, <u>BUT</u>

 Claim/Suit must be brought or lawsuit filed in the U.S., its territories and possessions, or Canada

KNOWLEDGE CHECK:

Individual from Haiti files a lawsuit against a U.S. Rotary Club in the U.S. alleging they're responsible for their bodily injury. Is there coverage?

Yes, assuming no other exclusions apply.



EXCLUSIONS



No Negligence, No Coverage!

Not covered! Must be at fault!



Acts or Omissions of Non-Insured Entity



• Liability insurance for Rotary only. Ensuring that others carry their own insurance is essential.



Property in the Club's Care, Custody, and Control



 GL insurance provides coverage for 3rd party property damage, but not if in care, custody, or control of Club.



Expected or Intended Injury

 No coverage for individual. Vicarious liability coverage for insured Rotary entity.



No "Med Pay" for Insureds

• \$5,000 is available to pay for injuries without having to prove fault.



 No "Med Pay" for Rotarians, as they are an Insured.



No "Med Pay" for Athletics

• \$5,000 is available to pay for injuries without having to prove fault.

Must be at fault!Use waiver/release forms!







Aircraft

Not covered. Hot aNon-Owned Aviati aircraft.



craft. vents with



Owned Autos

- Commercia Auto manance Not Provided



Watercraft

- No coverage if...
 - Owned by Club or District
 - Used to carry persons or property for charge
 - Longer than 51 feet
 - Prearranged racing, speed, demolition, or stunting activity





Mobile Equipment

- Golf Cart
- Trailer



Exclusions

- When transported by auto
- Prearranged racing, speed, demolition, or stunting activity





Professional Liability

- Medical/Dental
- Finance/Accounting
- Architecture/Engineering

KNOWLEDGE CHECK:

As District Insurance Chair, I provide incorrect insurance information that leads a Club to suffer financial damages. Club sues me. Am I covered?

No.





Fireworks

- No coverage for...
 - Transportation
 - Delivery
 - Storage
 - Set-up
 - Detonation
 - Takedown or Cleaning



Vicarious liability coverage for insured Rotary entity



Intellectual Property Infringement

- Copyright
- Patent
- Trademark
- Trade Secret





Restriction - Large Events

- 25,000 attendance (cumulative)
- Organized by Rotary
- Requirement to notify RI Risk Management
- Requirement to obtain separate liability insurance for the event

KNOWLEDGE CHECK:

Club operates beer booths at a 10-day City-run event with attendance over 200,000. Notify RI?

Nope.



Coverage for Additional \$\$?

Can the liability insurance program be endorsed for an additional charge to provide coverage when it's excluded?

• <u>No.</u>

Additional insurance is <u>not</u> available for purchase through RI.

• Contact a local insurance professional!



CERTIFICATE OF INSURANCE



Certificate of Insurance

- What is it?
 - Proof of insurance
 - When to provide it?
 - Only when specifically requested or contractually required
 - Why is it being requested?
 - Without proof of insurance, no permission to have event/activity



Certificate of Insurance

• Where is it?

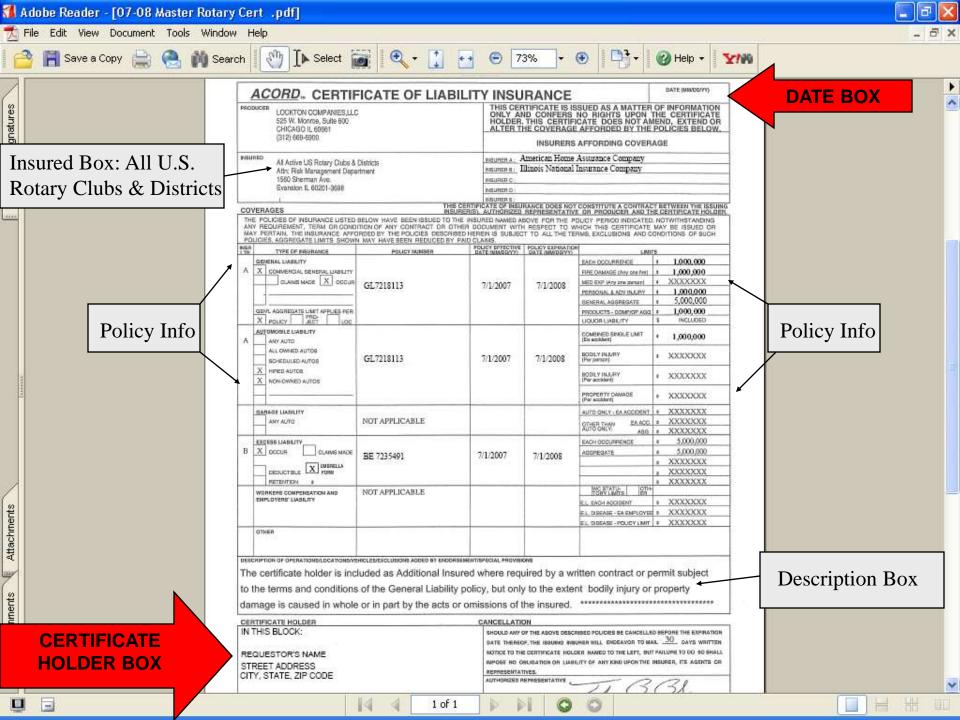
- Insurance Information Portal
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 - Type "Insurance" in **www.rotary.org** search box.
- Insurance Broker (Lockton)
 1-800-921-3172



Certificate of Insurance

• How to complete?

- Edit 2 boxes:
 - Date
 - Certificate Holder
- Save to computer or Print





Certificate – Additional Insured

• What is it?

• Additional Insured status provides limited insurance protection to another entity.

• Why is it being requested?

• Becoming an Additional Insured on another's liability insurance policy can protect that entity from using their own liability insurance.



- Certificate of Insurance Accepted Nationwide
 - <u>BUT</u> sometimes not...

- Verbiage Issues
- Coverage Not Provided
- Proof of Insurance Non Rotary Entity
- Waiver of Subrogation



Additional Risk Management Steps

- Additional Insurance for Club
- Release and Indemnity Forms from all participants
- Liability Insurance proof from all vendors
- Safety Evaluation for all events



QUESTIONS?

This PowerPoint will be available at the District website

Do you have an insurance professional in your Club?

You can always contact Lockton, by phone, email, or online.

https://www.locktonportal.com/sites/rotary/resources/home.aspx