

## 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</a>
- 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**:

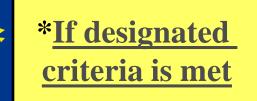
Who's a 3<sup>rd</sup> party?

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?



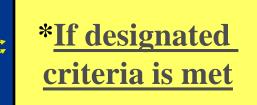




## Coverage – D&O/EPL Insurance

#### Who's covered? Who's Insured?

- Rotary Club
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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 3<sup>rd</sup> 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?

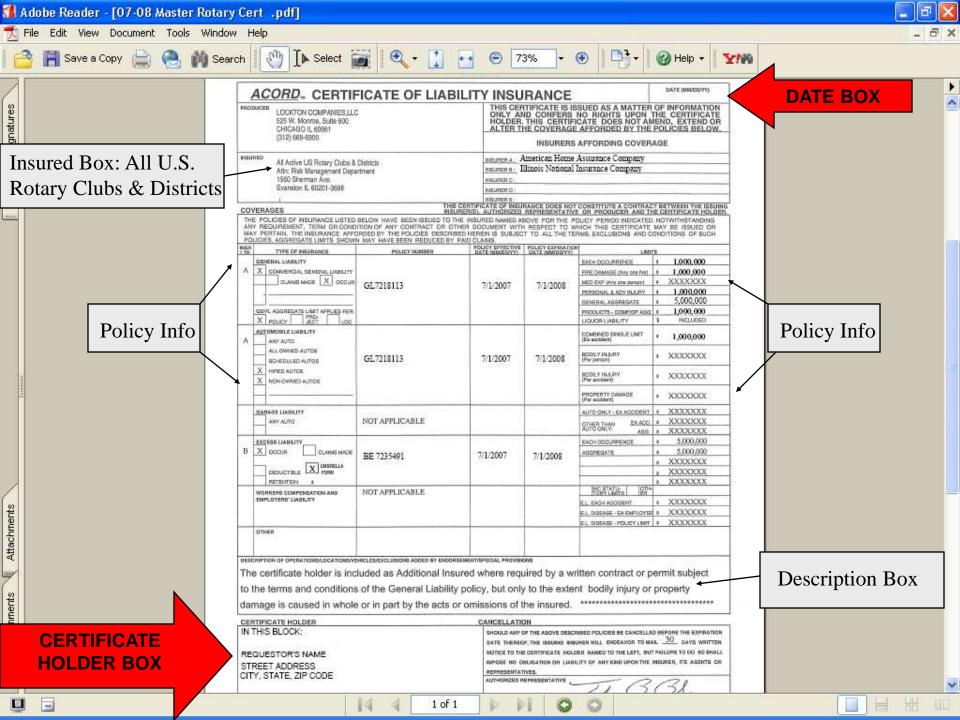
- Insurance Information Portal
- Insurance web page on <u>www.rotary.org</u>
  - Type "Insurance" in **www.rotary.org** search box.
- Insurance Broker (Lockton)
  1-800-921-3172



## **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