



RISK MANAGEMENT FOR YOUR CLUB

U.S. Rotary Club & District Liability Insurance Program

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District 5170 District Governor 2018-19

Courtesy of Peter W. Griffith CPCU, ARM

District 5340 Insurance Chair



Overview

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



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.**



Coverage

- General Liability (“GL”)
- Directors’ & Officers’ / Employment Practices Liability (“D&O/EPL”)



Coverage – GL Insurance

■ 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 not a Rotarian or Volunteer.



Coverage – GL Insurance

■ 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

***If designated
criteria is met**

■ Only U.S. Rotary entities!



Coverage – GL Insurance

- Who else is covered? Who else is insured?
 - Rotarians
 - Volunteers

KNOWLEDGE CHECK:

A Rotarian has a hernia while working on a Club project's construction site and receives medical care. Is there coverage?

No.

*within
of a*

*gets... volunteer
personal property damaged.*



Coverage – GL Insurance

■ 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.**



Coverage – GL Insurance

- Liquor Liability
- Non Owned & Rented Auto Liability
 - *This is EXCESS coverage*
 - *Does NOT provide coverage in Mexico*

KNOWLEDGE CHECK:

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

No!



Coverage – D&O/EPL Insurance

■ What is it?

- *D&O - Claims Against Directors & Officers for Alleged Wrongful Acts*
- *EPL - Employment and Membership Claims*

Why
D&O?

Why
EPL?

- Subject to policy terms & conditions
- Does not cover bodily injury or property damage (GL Insurance)



Coverage – D&O/EPL Insurance

- 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!
- Same list as GL insurance!

***If designated
criteria is met**



Coverage – D&O/EPL Insurance

- Who else is covered? Who else is insured?
 - Director
 - Trustee
 - Officer
 - Rotarian
 - Employee
 - Committee Member
- *But 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:

Does the Club or Club officer have to pay a deductible when there's a D&O claim? **Nope.**



Insurance Not Provided

- Crime (a.k.a. Dishonesty)
- Property
- Workers' Compensation
- Health, Travel
- Aircraft, Auto

KNOWLEDGE CHECK:

Student in Central America on service project gets sick from drinking tap water. Is there coverage for their medical care?

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



Coverage Territory

■ GL

- *Worldwide, BUT*
 - 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



Exclusions

- No Negligence, No Coverage!
- Not covered! Must be at fault!



Exclusions

- Acts or Omissions of Non-Insured Entity



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



Exclusions

- 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.



Exclusions

- Expected or Intended Injury
- No coverage for individual. Vicarious liability coverage for insured Rotary entity.



Exclusions

- 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.



Exclusions

- 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!





Exclusions

- Aircraft
- Not covered. Hot air balloons are not aircraft.
- Non-Owned Aviation Liability Insurance does not cover events with aircraft.





Exclusions

- Owned Autos



- Commercial Auto Insurance Not Provided



Exclusions

■ 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



Exclusions

■ Mobile Equipment

- *Golf Cart*
- *Trailer*



■ Exclusions

- *When transported by auto*
- *P rearranged racing, speed, demolition, or stunting activity*





Exclusions

- 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.



Exclusions

■ Fireworks

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



■ Vicarious liability coverage for insured Rotary entity



Exclusions

- 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?
 - No.
- Additional insurance is not 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 www.rotary.org
 - 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

Insured Box: All U.S. Rotary Clubs & Districts

Policy Info

DATE BOX

Policy Info

Description Box

CERTIFICATE
HOLDER BOX

ACORD. CERTIFICATE OF LIABILITY INSURANCE						DATE (MM/DD/YY)	
PRODUCER LOCKTON COMPANIES, LLC 525 W. Monroe, Suite 800 CHICAGO IL 60661 (312) 669-6900				THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.			
INSURED All Active US Rotary Clubs & Districts Attrc Risk Management Department 1560 Sherman Ave. Evanston IL 60201-3698				INSURERS AFFORDING COVERAGE INSURER A: American Home Assurance Company INSURER B: Illinois National Insurance Company INSURER C: INSURER D: INSURER E:			
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.							
INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS		
A	GENERAL LIABILITY	GL7218113	7/1/2007	7/1/2008	EACH OCCURRENCE	\$ 1,000,000	
	COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	\$ 1,000,000	
	CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$ XXXXXXXX	
	GEN'L AGGREGATE LIMIT APPLIES PER				PERSONAL & ADV INJURY	\$ 1,000,000	
					GENERAL AGGREGATE	\$ 5,000,000	
					PRODUCTS - COMP/OP AGG	\$ 1,000,000	
					LIQUOR LIABILITY	\$ INCLUDED	
A	AUTOMOBILE LIABILITY	GL7218113	7/1/2007	7/1/2008	COMBINED SINGLE LIMIT (Per accident)	\$ 1,000,000	
	ANY AUTO				BODILY INJURY (Per person)	\$ XXXXXXXX	
	ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$ XXXXXXXX	
	SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$ XXXXXXXX	
					AUTO ONLY - EA ACCIDENT	\$ XXXXXXXX	
					OTHER THAN EA ACC	\$ XXXXXXXX	
					AUTO ONLY	\$ XXXXXXXX	
B	EXCESS LIABILITY	BE 7235491	7/1/2007	7/1/2008	EACH OCCURRENCE	\$ 5,000,000	
	CLAIMS MADE <input type="checkbox"/> OCCUR				AGGREGATE	\$ 5,000,000	
	DEDUCTIBLE <input checked="" type="checkbox"/> DURELLA FORM					\$ XXXXXXXX	
	RETENTION					\$ XXXXXXXX	
	WORKERS COMPENSATION AND EMPLOYERS LIABILITY	NOT APPLICABLE			MAX STATE/CCRY LIMITS	OTH	
					EL EACH ACCIDENT	\$ XXXXXXXX	
					EL DISEASE - EA EMPLOYEE	\$ XXXXXXXX	
					EL DISEASE - POLICY LIMIT	\$ XXXXXXXX	
	OTHER						
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS The certificate holder is included as Additional Insured where required by a written contract or permit subject to the terms and conditions of the General Liability policy, but only to the extent bodily injury or property damage is caused in whole or in part by the acts or omissions of the insured.							
CERTIFICATE HOLDER IN THIS BLOCK: REQUESTOR'S NAME STREET ADDRESS CITY, STATE, ZIP CODE				CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES. AUTHORIZED REPRESENTATIVE: <i>JB38</i>			



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 – Common Issues

- Certificate of Insurance Accepted Nationwide
 - BUT 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>