U.S. ROTARY CLUB & DISTRICT LIABILITY INSURANCE PROGRAM

2025-26 D&O/EPL Insurance Policy Guide

The U.S. Rotary Club & District Insurance Program ("Program") provides general liability (GL) and directors & officers / employment practices liability (D&O/EPL) insurance coverage to active U.S. Rotary and Rotaract Clubs and Districts (subject to policy terms and conditions).

Risk Management
July 2025

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DIRECTORS & OFFICERS / EMPLOYMENT PRACTICES LIABILITY POLICY

The **U.S. Rotary Club & District Liability Insurance Program** ("Program") provides **D&O/EPL insurance coverage** to all active U.S. Rotary and Rotaract clubs and districts. Below is an overview of the D&O/EPL insurance provided by the Program.

Note: "Club" refers to Rotary and Rotaract clubs and districts. "Members" include Rotarians and Rotaractors.

COVERAGES PROVIDED

Directors & Officers (D&O) Liability insurance

- Covers claims made against club leaders (e.g., directors, officers) for alleged wrongful acts arising out of performance of their duties.
- Examples include:
  - Mismanagement of funds
  - Failure to enforce bylaws

Employment Practices Liability (EPL)

- Covers claims related to employment practices, such as:
  - Discrimination
  - Harassment
  - Wrongful termination
- Note: Rotary members are included in the definition of "employee".

Coverage Limits

Coverage Type	Limit
Self-Insured Retention (PPH National Insurance Co.)	$25,000
Per Claim	$2,000,000

The **$25,000 retention** per claim is paid by PPH National Insurance Co.

Coverage Territory

- **Worldwide**, where legally allowed

Who Is Covered?

Insured Persons include any past, present, or future director, officer, trustee, advisory board member, officer, governor, or managing member of a management committee of an insured entity, or any employee, volunteer or member of an insured entity.

Insured Entities

The following U.S. Rotary organizations are covered:

- Rotary clubs (including Satellite, E-Clubs, Passport, Corporate, Cause-Based, Alumni-based and newly chartered Rotary clubs)
- Rotary districts

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- Rotary club and district foundations**
- Interact and Rotaract clubs
- Rotary Community Corps
- Certified Youth Exchange organizations
- Rotary Youth Leadership Awards (RYLA)
- President-elect training seminars and President-elect learning seminars (including multi-district organizations)
- Rotary Zones
- Other Rotary organizations as on file with Rotary International Risk Manager

Foundation Coverage Criteria

** To be covered under the Program, a club or district foundation must meet the following criteria:

- Foundation was created by a formal decision of a club or district;
- All principals, officers, and board members are dues-paying club members (not honorary members);
- The club or district that created the foundation had sole authority to name or remove foundation board members when the foundation was first formed;
- 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 club or district through fundraising and contributions to nonprofit organizations and/or individuals in need.

Entities Not Covered by the Program

The following organizations are **not insured** under the Program:

- Provisional Rotary clubs
- Fellowship organizations
- Rotary Action Groups
- Inner Wheel organizations
- Gift of Life organizations
- Youthact and Earlyact (or similar youth programs)
- Camp operations and related entities that are organized and run by clubs
- Any other separate entities created by insured clubs or districts that are **not listed** as Named Insureds

Incident Reporting

If an incident or loss occurs:

- Use the **Incident Report Form** on the U.S. Rotary Insurance Portal.
- **Send the Incident Report immediately** to claims@rotary.org or by fax (847) 556-2147

Do **not** promise coverage, make payments, or accept financial responsibility (except for first aid) without the insurance company's approval.

An incident report serves as a **notice of an occurrence** that may or may not lead to a claim.

Key Definitions (D&O/EPL Coverage)

For a complete list of definitions, see the D&O/EPL policy. Below is a summary of the most relevant terms:

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D&O Claim
Includes any of the following actions against an Insured for a Wrongful Act:

- A written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief including a request for alternative dispute resolution, extradition, or request to toll or waive a statute of limitations;
- Civil or criminal proceeding commenced by the earlier of (a) the return of service of a complaint or indictment upon an insured; (b) the filing of an indictment or information with respect to an insured; or (c) the arrest or detainment of an insured; or
- A formal administrative or regulatory proceeding evidenced by a formal notice of charges or a formal notice of investigation.

Employment Practices Claim
Includes any of the following by or on behalf of an employee (past, present or future worker, volunteer, intern, or independent contractor of an insured entity), applicant or third party, in their capacity as such, against an insured, for a Wrongful Act against an Insured in connection with any actual or alleged:

- Wrongful employment practice which means any employment related:
- Breach of any written employment contract or agreement;
- Discrimination;
- Harassment;
- Retaliation;
- Workplace tort;
- Or wrongful employment decision; or
- Third party wrongful act meaning any discrimination or harassment of a third party committed, attempted, or allegedly committed or attempted by an insured in such capacity.

Insured:
Any insured person or any insured entity.

Insured Persons:
Any past, present or future director, trustee, advisory board member, officer, governor, or managing member of a management committee of an insured entity, or any employee, volunteer or member of an insured entity.

D&O Wrongful Act:
Any error, misstatement, misleading statement, act, omission, neglect, or breach of duty (including personal injury or publisher injury) committed, attempted or allegedly committed, or attempted, by an insured person in his/her capacity as such or an insured entity; or matter claimed against an insured person solely by reason of his/her status as such.

EPL Wrongful Act:
Any wrongful employment practice but only with respect to any employee or any applicant; or any third party wrongful act but only with respect to any third party. A wrongful act includes any actual or alleged conduct that takes place via electronic communication, including social media and internet websites.

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Exclusions

The D&O coverage part excludes loss in connection with any claim:

- Based upon or arising from **Conduct** meaning the gaining of profit or other advantage to which the insured was not legally entitled; or commission of a deliberate crime, deliberate fraud, or deliberate dishonest act or omission, or willful violation of any law or regulation;
- Based upon or arising from **Prior Notice** meaning any matter, fact, circumstance, or wrongful act that has been the subject of any notice accepted under any not-for-profit directors and officers liability policy;
- Based upon or arising from **Cyber event** meaning any actual or alleged exploit; unauthorized access or use; network impairment; or failure to implement, maintain or comply with federal, state or local law, statute or regulation, or an insured entity's internal written policies and procedures, with respect to protected information;
- Based upon or arising from **Contractual liability** meaning your actual or alleged liability voluntarily undertaken by you in any contract or agreement. Contractual liability does not include liability that would be imposed upon you in the absence of such contract or agreement;
- Based upon or arising from **Professional services** meaning the performance of, or failure to perform, services for others for a fee or other remuneration;
- Based upon or arising from **abuse or molestation** meaning any actual, alleged, attempted, proposed or threatened sexual molestation, abuse, assault, or battery, whether or not intentional, of any natural person;
- For **Bodily injury** meaning any actual or alleged bodily injury, sickness, disease, death, emotional distress or mental anguish of any natural person;
- For **Property damage** meaning any actual or alleged damage to, or destruction of, any tangible property including loss of use or diminution of value; and
- Brought by or on behalf of any insured entity.

The EPL coverage part excludes loss in connection with any claim based upon or arising from:

- **Assumed liability** meaning your voluntary assumption of liability of others undertaken by you in any oral or written contract or agreement, unless such liability would have attached to you in the absence of such contract or agreement;
- **Prior notice** any matter, fact, circumstance, situation, transaction, event or wrongful act that has been the subject of any notice accepted under any employment practices liability policy or comparable policy;
- **Wage and hour** meaning any actual or alleged violation of any United States law which regulates or governs employment wage, pay, or labor requirements or standards (except for the Equal Pay Act);
- **Property damage** or **Bodily injury** except for emotional distress, mental anguish or humiliation when made in connection with an employment practices claim;
- **Worker benefits** meaning any actual or alleged violation of any United States law governing workers' compensation, unemployment insurance, social security, or disability benefits;
- **ERISA;** and
- **Abuse or molestation** meaning any actual, alleged, attempted, proposed or threatened sexual molestation, abuse, assault, or battery, whether or not intentional, of any natural person.

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

Note: Please review the insurance policy posted on the **U.S. Rotary Insurance Portal** for more information about the terms and conditions of coverage.

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