

U.S. Rotary Club & District Liability Insurance Program

General Liability Insurance Summary

The U.S. Rotary Club and District Liability Insurance Program ("Program") provides general liability insurance coverage to active U.S. Rotary clubs and districts for their liability arising out of bodily injury to a third party and damage to a third party's property, subject to policy terms and conditions. Below is an overview of the general liability insurance provided by the Program. ***Nothing in this document shall be construed to extend, alter, vary, or waive any of the provisions of the policy. Please refer to the general liability policy on the Insurance Information Portal.***

Note: *All Rotarians and Volunteers are expected to have their own personal health and property insurance.*

All active Rotary clubs and districts in the U.S. and its territories and possessions participate in the Program. (The first \$500,000 of each claim is paid from the assessments collected from U.S. Rotarians through July Club Invoice). When claims expenses increase, so do the insurance assessments. It is important to make safety a priority when conducting all activities and events to prevent or minimize claims.

INSURANCE QUESTIONS: If you have questions, please contact:

Lockton Insurance Broker
Phone: (800) 921-3172
Fax: (312) 681-6769
Email: rotary@lockton.com

INSURANCE INFORMATION PORTAL: For information about the Program, including loss control guidelines, insurance policies, and certificates of insurance, please visit: www.locktonportal.com/sites/rotary/resources. Please contact Lockton or Risk Management to obtain user name and password. This site is for Rotary club/district use only.

INSURANCE ASSESSMENT: Annual assessments are charged to all insured U.S. Rotary clubs through July Club Invoice.

OBTAINING COVERAGE: Program coverage is automatic for active U.S. Rotary clubs and districts.

OBTAINING A CERTIFICATE OF INSURANCE: To obtain a certificate of insurance, please visit the ***Insurance Information Portal***.

LIMITS:

\$ 500,000	Retention (<i>All claims are paid by U.S. Rotarians through insurance assessments</i>)
\$ 2,000,000	Per occurrence for general liability
\$ 1,000,000	Non-owned and rented auto liability (EXCESS)
\$ 500,000	Per premises for damage to rented premises
\$ 5,000,000	Per occurrence for excess liability
\$ 5,000	Medical expenses

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, provided that the claim is brought or a lawsuit is filed in the U.S., its territories and possessions, or Canada.

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;
- Be 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)

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

NOTABLE COVERAGE:

The Program also includes:

- **Liquor Liability** for damages to a third party arising from selling, serving or furnishing alcoholic beverages. Coverage is included as a club/district may sell, serve, or furnish alcoholic beverages.
- **Non-Owned/Rented Automobile Liability** for the use of hired, leased, borrowed, or non-owned automobiles. This excess coverage is intended for insured entities only and does not extend to individual automobile owners.

If the Rotary club/district owns an automobile, it must be separately insured.

There is no comprehensive/collision coverage for **damage** to any automobile operated by the club/district.

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

EXCLUSIONS: SOME OF THE NOTABLE EXCLUSIONS LISTED IN THE GENERAL LIABILITY INSURANCE POLICY ARE BELOW. IF SEPARATE INSURANCE IS NEEDED, CONTACT A LOCAL INSURANCE PROFESSIONAL.

- **Aircraft or Automobile Liability.** 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.
 - Consider obtaining automobile or aircraft liability insurance if your club/district owns an automobile or aircraft.
 - Consider obtaining non-owned aviation liability insurance if your club/district organizes an event with aircraft it does not own.
- **Athletics Activities.** Medical expense payments for bodily injury to a person injured while practicing, instructing, or participating in any physical exercises or games, sports, or athletic contests, unless there is legal liability resulting from the negligence of your club/district.
- **Criminal Acts or Expected or Intended Injury.**
- **Daycares.** Bodily injury or property damage arising from the ongoing operations of a daycare.
- **Fireworks (Pyrotechnics).** 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. 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 third party is not a pyrotechnics company or other company hired by Rotary club to detonate fireworks.
- **Infringement of Copyright, Patent, Trademark or Trade Secret.** Personal or advertising injury arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.
 - Consider media liability insurance if your club/district has significant multimedia exposure.
- **Mobile Equipment.** 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.).
- **Money or Currency Losses.** This includes theft.

- Consider crime insurance (aka fidelity bond, employee dishonesty bond) if your club/district desires coverage for theft of its funds.
- **Privacy or Security Breach.** Injury arising from breach of personally identifiable information, protected health information, or payment card information.
 - Consider cyber or data protection insurance if your club/district has a significant exposure.
- **Professional Services.** 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.
 - Consider the appropriate professional liability or errors and omissions liability insurance coverage if your club/district has this exposure.
- **Property.** Damage to property of any kind (whether leased, borrowed, or owned) while in the insured's care, custody or control.
 - Consider obtaining property insurance if your club/district desires insurance for its property.
- **Rotarian Bodily Injury/Illness.** All Rotarians and volunteers are expected to have their own health insurance. The Program provides liability, not first-party health insurance.
 - Consider travel insurance for accidental injury or illness for those serving abroad.
- **Watercraft Liability.** Liability from any owned watercraft or the use of non-owned watercraft 51 feet or greater in size.
 - If your club/district owns a watercraft or operates non-owned watercraft greater than 51 feet, consider appropriate watercraft liability insurance
- **Workers Compensation and Similar Laws.** Any obligation of the insured under workers' compensation, disability benefits, or unemployment compensation laws.
 - Consider obtaining workers' compensation insurance with employer's liability coverage if your Club/District employs someone or uses an independent contractor that could be considered an employee by statute.
- **Youth Exchange Programs.** Those not certified by Rotary International.

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

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, purchase primary general/special events liability insurance with a minimum limit of \$1 million per occurrence/\$2 million aggregate, and send Risk Management 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 the *Insurance Information Portal* and can be submitted to Risk Management by email to 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.

RISK MANAGEMENT

Rotary International
Attn: Risk Management
1560 Sherman Avenue
Evanston, Illinois 60201-3698
Fax: (847) 556-2147

General Email: insurance@rotary.org

Claims Email: claims@rotary.org

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Definitions

- “Program” refers to the U.S. Rotary Club & District Liability Insurance Program, which provides GL + D&O/EPL insurance coverage automatically to active U.S. Rotary Clubs & Districts (subject to policy terms and conditions).
- “GL” refers to commercial general liability insurance provided through the Program.
- “D&O/EPL” refers to directors’ & officers’ liability / employment practices liability insurance provided through the Program.

Certificate of Insurance (COI) Requests (standard)

For a certificate of insurance, please visit the *Insurance Information Portal*:

www.locktonportal.com/sites/rotary/resources

Username: Rotarian

Password: Resources#1

Note: Username and password are case-sensitive. This portal is for U.S. Rotary club/district use only.

Please see the Certificate of Insurance instructions on the portal more information on how to request a COI.

Additional Insured (AI)

What is an Additional Insured?

An Additional Insured is an entity for which limited insurance coverage is granted under your insurance policy, in the event a claim is caused by your club/district's negligent activities or operations. An Additional Insured is not covered for its own negligent activities or operations under the Program.

Others as Additional Insured – Transferring Insurance

Insurance provided by the Program is an asset, and it should be protected as such. Do not agree to provide Additional Insured status to another entity when it is not warranted. If providing Additional Insured status to another entity is necessary, the insurance policy requires that this condition is specified in a written and signed contract between your club/district and the entity requiring additional insured. Please note that the Program is not intended to cover the liability of other entities; each entity should carry its own general liability insurance coverage. Please review ***Contract Best Practices for Activities and Events*** for more information.

Additional Insured Endorsement

If an additional insured endorsement is required, please email a copy of the application, contract, or permit to the insurance broker at rotary@lockton.com. If the entity will not provide the permit or contract until they receive the insurance documentation from your club/district, please provide a copy of last year's permit or contract. Additional insured endorsements **cannot** be found on the Portal.

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 the *Insurance Information Portal* and can be submitted to Risk Management by email to 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.

Contracts & Agreements

When planning or sponsoring a fundraising event or activity, your club/district should enter into a written contract with each party involved to ensure the duties, roles and responsibilities are clearly defined and understood. The contract should include indemnification and insurance requirements to protect your club/district. Because contracts can be important in avoiding liability claims, reviewing the loss control guidelines on the *Insurance Information Portal* about waiver/release forms, indemnification/hold harmless language, and contract best practices is strongly recommended.

Indemnification / Hold Harmless Language / Agreements

Please visit the *Insurance Information Portal* to review **Contract Best Practices for Activities and Events** and **Loss Control - Indemnification Hold Harmless Language in Contracts**. Before any contract, agreement, or waiver is signed, consult with a legal professional.

Waiver and Release Requirements

It is strongly recommended that your club/district ensure all participants sign a waiver and release form. Please visit the *Insurance Information Portal* to review the **Loss Control – Use of Waiver and Release Forms**. Always seek the advice of local legal counsel in drafting and reviewing all contracts your club/district enters into.

Vendors / Contractors

Have a written agreement to ensure that your vendors and contractors carry appropriate liability insurance that names your club/district as an Additional Insured. Require them to provide a certificate of insurance and an Additional Insured endorsement. Please note that the Program is not intended to cover the liability of other entities. All entities involved with an event/activity must have their own general liability insurance coverage. Please visit the *Insurance Information Portal* to review **Contract Best Practices for Activities and Events**.

Assessments (in July Club Invoice)

2015-16 D&O/EPL Assessment is \$0.40 per member.
 2015-16 GL Assessment per member is listed below.

States & Territories	GL Rates	D & O / EPL Rate
CA FL LA ME NJ NY OR RI WI	\$5.53	\$0.40
AL AZ CO CT IL MA MD MN MO NV PA TN TX WA	\$3.18	
HI ID IN MI NC OH OK SC VA VT	\$2.71	
AK AR DC DE GA IA KS KY MS MT ND NE NH NM SD UT WV WY	\$2.24	
American Samoa, Guam, Northern Mariana, Puerto Rico, US VI	\$1.25	

Please send questions related to insurance assessments to insurance@rotary.org.

Athletic Activities

The GL policy excludes medical payments for persons injured while practicing, instructing or participating in any athletic events and activities, unless there is legal liability resulting from the negligence of your club/district. If there is a suit or claim that alleges that the club/district is liable for injury from athletics, the GL policy would respond, subject to policy terms and conditions.

Please visit the *Insurance Information* Portal to review the **Loss Control Guidelines for Athletic Events & Use of Waiver and Release Forms**. To prevent claims, it is strongly encouraged to use waiver and release forms as well as thoroughly inspecting the entire premises before the event. Immediately alert the property owner/manager to fix hazards before the event and/or clearly mark such areas.

Construction Activities / Renovation / Home Repair Programs

Please visit the *Insurance Information* Portal to review the **Loss Control Guidelines for Construction Projects & Use of Waiver and Release Forms**. To prevent or to minimize claims, it is strongly encouraged to have volunteers sign waiver and release forms, with the expectation that they have their own health and property insurance.

The Program provides GL coverage for liability arising out of bodily injury to a third party or damage to a third party's property, subject to policy terms and conditions.

The Program **does not** provide coverage for:

- **Damage to property** in the care, custody and control of an Insured. This includes, but is not limited to, equipment, personal property, and vehicles that are owned, borrowed, or rented.
- Liability arising from **professional services**. These include, but are not limited to, electrical work, plumbing services, architecting, engineering, etc.).

Fireworks

The policy does not cover liability arising out of fireworks display if a Rotary club enters into a contract with a pyrotechnics or other company hired to detonate fireworks. See **Loss Control – Use of Fireworks** on the insurance portal. Your club or district may sponsor an event and provide funding for the fireworks, but another party, such as a municipality, must sign the contract.

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. Please obtain a certificate of insurance adding your club/district as additional insured from the third-party fireworks company when your club is an event sponsor. See **Loss Control Guidelines – Use of Fireworks** on the insurance portal.

With respect to the "sale" of fireworks, as long as this is "legal sale for fundraising purposes of pre-wrapped fireworks purchased from a licensed third party" there is coverage under the Program.

Large Events (exceeding 25,000 in attendance)

Rotary clubs and districts that organize events exceeding 25,000 attendees over the entire event period are required to report such events to insurance@rotary.org, purchase primary general/special events liability coverage with a minimum limit of \$1 million per occurrence/\$2 million aggregate, and send Risk Management a certificate of insurance evidencing

the coverage purchased. The Program will only provide excess coverage above this required policy. For details, please contact Risk Management at insurance@rotary.org.

Coverage

Liquor Liability

The Program provides liquor liability coverage for bodily injury or property damage to a third party arising from the selling, serving or furnishing of alcoholic beverages, subject to policy terms and conditions. Please visit the *Insurance Information Portal* to review the **Loss Control Guidelines for Serving Alcohol**.

If your club/district hires a vendor to sell/serve alcohol at the event, obtain a certificate of insurance from the vendor and request that your club/district is added as additional insured on their liquor liability insurance policy.

Automobile Liability (Excess - Rented & Non-Owned)

The Program provides excess liability coverage for the use of rented and non-owned automobiles above any other valid and collectible insurance on the automobile. This coverage is intended for insured entities only and does not extend to individuals who use their personal automobile for Rotary club business. If the Rotary club/district owns an automobile, it must be separately insured. There is no collision / auto physical damage coverage for any automobile. For example, if a Rotarian gets into an accident while using their vehicle on Club business, it is their auto liability insurance that applies, not the Program's. For more information, please review the **Loss Control Guidelines for Use of Automobiles**.

Trailers

When a trailer is attached to a vehicle, the vehicle owner's insurance is primary. The Program would provide excess coverage above the vehicle owner's insurance, if the trailer was not owned by the club/district. However, the Program would not provide excess coverage, if the trailer was owned by the club/district. Please note that "trailer" is included in the definition of "auto" in the insurance policy. The Program doesn't cover owned auto liability.

Mobile Equipment & Golf Carts

Please visit the *Insurance Information Portal* to review the **Loss Control Guidelines for Use of Golf Carts and Other Mobile Equipment**.

The Program provides GL coverage for active clubs and districts for liability arising out of bodily injury to a third party or damage to a third party's property, subject to policy terms and conditions.

The Program **does not** provide coverage for:

- Bodily injury or property damage arising out of transportation of mobile equipment by an automobile.
- Bodily injury or property damage arising out of the use of mobile equipment in, or while in practice for, or while being prepared for, any prearranged racing, speeding, demolition, or stunting activities (go-carts, demolition derbies, coaster races, snowmobile races, monster truck events, lawnmower races, etc.).
- Damage to property in the care, custody and control of your club/district. This includes, but is not limited to, equipment, personal property, and vehicles that are owned, borrowed or rented. If there is damage to a golf cart rented or loaned to a club/district, there is no coverage under the Program to repair or reimburse for the damage.

Professional Services

Rendering of professional services of any kind (such as those provided by doctors, dentists, auditors, accountants, architects, or engineers) are excluded.

Property Insurance

The Program does not provide coverage for property owned, or in the care, custody, or control of a club/district, loss of property or coverage for theft of said property. If necessary, please contact a local insurance professional to obtain property insurance.

Crime / Fidelity Bond Insurance (Treasurer Bonding)

The Program does not cover the theft of club/district funds. That is covered by Crime Insurance, which is also referred to as a Fidelity Bond. According to Recommended Rotary Club Bylaws Section 5 - Officers having charge or control of club funds shall give bond as required by the board for the safe custody of the funds of the club, cost of bond to be borne by the club. It is up to your club whether or not to procure a fidelity bond (aka dishonesty bond or crime insurance). If needed, please contact a local insurance professional.

Club/District Foundations

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;
- 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.

Separate Legal Entities

Please review the **General Liability Insurance Summary** for a list of all Named Insured entities covered under the Program. For separate legal entities that are not listed in the **Summary** and not covered by the Program, please consider contacting a local insurance professional to obtain separate liability insurance.

Copyright Infringement

If your club/district is interested in using literary works such as songs, poems, illustrations, photographs, charts, or graphs, determine if permission is needed from the author, and if so, receive written permission prior to use. Assume that the material is protected until you clearly determine otherwise. This includes the use of literary works in presentations, club/district websites, or newsletters. Refer to www.copyright.gov for guidance on copyright laws, but *when in doubt, consult with an attorney.*