



# U.S. Rotary Club & District General Liability Insurance Program 2006-2007 Program Summary

The purpose of this document is to provide U.S. Rotary clubs and districts covered under the U.S. Rotary Club & District General Liability Insurance Program ("Program") with a brief explanation of the general liability insurance coverage provided. Nothing in this document shall be construed to extend, alter, vary or waive any of the provisions of the policy. If an unusual situation arises or if further clarification is needed, please email the RI Risk Management department at [insurance@rotary.org](mailto:insurance@rotary.org) or contact us below at:

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Attn: Risk Management Dept.  
1560 Sherman Avenue  
Evanston, Illinois 60201-3698  
Fax: (847) 866-6632  
Email: [insurance@rotary.org](mailto:insurance@rotary.org)

**Rotary International Insurance website:**  
<http://www.rotary.org/support/insurance/index.html>

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The Program provides general liability insurance coverage for active U.S. clubs and districts (including its Rotarians and volunteers in their role as such for the club or district) for their liability arising out of bodily injury to a non-insured (third party) person or damage to a non-insured (third party) person's property (subject to policy terms and conditions).

## Insurance Carriers & Limits

\$ 250,000	Self-insured retention (The self-insured retention is financed by Rotary International through its captive insurance company, PPH National Insurance Co. Clubs and districts are not responsible for this retention.)
\$ 750,000	Per occurrence, (\$1,500,000 aggregate) Great American Insurance Co.
\$5,000,000	Westchester Fire Insurance Company

## Limits of Coverage

\$6,000,000	Products/completed operations aggregate
\$6,000,000	Personal/advertising injury aggregate
\$6,000,000	Liquor liability
\$6,000,000	Non-owned/hired automobile liability
\$1,000,000	Fire damage legal liability

## Coverage Territory

Coverage is provided for claims that occur worldwide as long as the claim is brought (or suit is filed) in the U.S., its territories and possessions, or Canada.

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

## Who is Insured

### Definitions

- A **first named insured** is the entity listed first on the policy declarations page as an insured. The first named insured is granted certain rights and responsibilities that do not apply to the policy's other named insureds. For example, first named insureds receive cancellation notices and return premium and are responsible for providing notice of loss and premium payments to the carrier. The first named insured for this program is Rotary International.
- An **insured** (a.k.a. a **named insured**) is an entity, or any of its members specifically designated as an insured in an insurance policy. An insured is also one who, although unnamed, falls within the policy definition of an "insured." For more details on who is an insured, please see "Insured Organizations" below.
- An **additional insured** is a person or organization not automatically included as an insured under an insurance policy, but for whom limited insured status is arranged. Additional Insured status does not extend full general liability insurance coverage to the other entities, but rather provides limited coverage for that entity in the event a claim arose from your club's acts or omissions. An additional insured is not covered for its own acts or omissions. To protect itself from such claims, the additional insured would have to secure its own general liability policy. **Beginning 1 July 2006, Additional Insured status will ONLY be provided if this requirement is stated in a written contract, agreement, or permit.**

## Insured Organizations

Below are some organizations that are insured through this policy:

- Rotary International.
- The Rotary Foundation of Rotary International.
- The following **active** organizations in the USA and its territories and possessions, including USVI, Puerto Rico, North Mariana Islands, American Samoa, and Guam:
  - Rotary Clubs, including U.S.-based Rotary e-clubs and their U.S. Rotarians;
  - Rotary Districts;
  - Interact Clubs;
  - Rotaract Clubs;
  - Rotary Community Corps;
  - Club and district youth exchange organizations (including multi-district or multi-club organizations);
  - Group Study Exchange;
  - RYLA activities;
  - Club and district foundations;including members, their families, employees and volunteers of these organizations **while acting within the scope of their roles for the above organizations.**

## Organizations Not Insured

Below are some organizations that are not insured through this policy:

- Provisional Rotary organizations. However, newly chartered Rotary clubs are provided with automatic coverage.
- Fellowship organizations and Rotarian Action Groups.
- Inner Wheel organizations.
- Gift of Life organizations.
- Youthact, Earlyact or similar organizations.

However, clubs and districts are covered for their **vicarious liability** for general liability claims arising from these organizations. Vicarious liability occurs when your club is liable for the negligent actions of another organization, although your club was not directly responsible for the injury or damage.

## Multi-National Districts

Coverage is provided for multi-national districts, but coverage is not afforded to clubs within those districts that are not located in the U.S. or its territories and possessions. Coverage for a multi-national district is available for the district if a loss arises from an U.S. club function or a district-wide function. Coverage will not be available if the loss arises from a non-U.S. club function. It is recommended that multi-national districts secure adequate insurance to cover losses arising from the operations and activities of their non-U.S. clubs.

## **Coverage Summary**

The program provides coverage for legal liability to a **third party** (someone who is neither the insured nor the insurer) for the following losses:

- **Bodily Injury**. Sickness or disease, sustained by a third party, including death.
- **Property Damage**. Physical injury to tangible property of a third party.
- **Advertising Injury and Personal Injury**. Injury to a third party that arises out of one or more of the following:

- False arrest, detention or imprisonment;
- Malicious prosecution;
- Wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises;
- Written or oral publication of material that libels or slanders a person or organization;
- Written or oral publication of material that violates a person's right of privacy;
- Misappropriation of advertising ideas or style of doing business; or
- Infringement of copyright, title or slogan.

The program also provides coverage for liability arising out of the following hazards:

- Liquor Liability. Liability for damages to a third party arising from the **occasional** selling, servicing or furnishing alcoholic beverages.
- Fire Damage Legal Liability Coverage. Coverage for an insured's liability due to fire damage to premises rented to the insured.
- Non-Owned and Hired Automobile Liability. This coverage insures bodily injury or property damage to a third party that arises out of the use of an auto that is non-owned, hired, leased or borrowed by an insured. This coverage provides **liability insurance only** and **does not cover physical damage** to the non-owned, hired, leased or borrowed auto. Additionally, this coverage is excess to any insurance coverage that may already be in place on the non-owned, hired, leased or borrowed auto. For example, if your club borrows a vehicle, the insurance coverage already in place on borrowed vehicle is the first layer of coverage.

Coverage through this provision only applies in the United States, its territories and possessions, and Canada. **No coverage is available for travel in Mexico.** It is recommended that you secure a liability policy through a Mexican insurer before traveling or immediately upon crossing the border. Without such coverage, the driver of a vehicle will be jailed in the event of an accident.

## Key Exclusions

- Directors & Officers liability coverage (D&O).
- Health, medical, accident, travel medical or travel accident coverage **for any insured**. This policy protects your organization from its legal liability to third parties and is not a substitute for personal medical coverage of your organization's members.
- Participant legal liability coverage and spectators' liability coverage for sporting events.
- Ownership, maintenance, use or entrustment to others of any owned aircraft, auto or watercraft.
- Damage to property of any kind (whether leased, borrowed, or owned) while in the insured's care, custody or control.
- Real or personal property of any insured.
- Prearranged racing, speed, demolition, or stunting activities (go-carts, demolition derbies, coaster races, auto races, snowmobile races, monster truck events, lawnmower races, etc).
- The set-up, detonation, takedown and cleanup of pyrotechnic (fireworks) displays by any insured. However, the sponsorship of such is covered. Sponsorship denotes

that a third party will set-up the display, perform the detonation of the pyrotechnics, take down the display and survey the area for debris or unexploded pyrotechnics.

- Non-owned watercraft 51 feet or greater. Coverage *may* be available for non-owned watercrafts over 51 feet for an additional premium; please contact RI Risk Management for more details.
- Expected or intended injury. However, the use of reasonable force to protect persons or property is covered.
- Employer's liability, workers' compensation and similar coverages.
- Money or currency losses, including theft.
- Pollution (except for hostile fire).
- Punitive damages.
- Membership discrimination.
- Liability for the use of non-owned or hired autos while traveling in Mexico. Non-owned and hired auto liability is valid only in the United States, its territories and possessions, and Canada.
- Crime coverage, a.k.a. fidelity bond, employee dishonesty bond. A separate insurance policy is necessary for this coverage.
- Professional liability coverage. Coverage for rendering professional services (such as medical services) while employed by, sponsored by, or donating services to the named insured. These individuals' professional liability insurance would apply.
- Golf carts that are licensed for over-the-road use.

Please note that this is not an exhaustive list of exclusions. For more information on exclusions contact RI Risk Management.

## **Covered Activities**

- Adopt-a-road activities.
- Sponsorship of air shows. Coverage ***is not available*** for Rotarian-owned, leased, hired, or borrowed aircraft or the use of such. The policy does apply to activities and concession stands at the show, but does not cover accidents arising from the operation, maintenance, or use of any aircraft.
- Sale or serving of alcohol at local fairs and festivals. Please note that this program is designed to cover claims arising out of the ***occasional*** sale or serving of alcohol. Coverage is not intended to cover the sale or serving of alcohol at recurring events, such as a beer booth every weekend during a Little League season. The sale or serving of alcohol at recurring events should be covered through a separate liquor liability policy.
- Arts and craft fairs.
- Sponsorship of athletic events such as 5k races, bike races, triathlons, etc. However, participants' legal liability and spectators' liability for these events are not covered.
- Sponsorship of sports team events such as soccer, football, softball games, etc. While coverage is not available for the actual team's sport activities, coverage is available for activities apart from those directly related to an athletic activity, such as operating a concession stand. Participants' legal liability and spectators' liability for these events are not covered.
- Auctions.
- Rubber duck races.

- Sale, storage, and transportation of wrapped fireworks. “Wrapped” conveys unopened pyrotechnics that are secured through a distributor or manufacturer.
- Sponsorship of fireworks displays. Sponsorship denotes that a third party will set-up the display, perform the detonation of the pyrotechnic, take down the display, and survey the area for debris or unexploded pyrotechnics.
- Fishing tournaments. However, contact RI Risk Management if any of the participants’ vessels are greater than 51 feet.
- Preparation in, serving of and sponsoring of food at local fairs and festivals, pancake breakfasts, barbecues, etc.
- Golf tournaments.
- Club meetings.
- Sponsorship of rodeos. However, active participation in or performance by an insured is not covered.
- Participation in or the sponsorship of wine tasting festivals.
- Dragonboat “races” and festivals.
- Poker runs.
- Minor construction activities such as erecting a playground or renovating a home.
- Parking cars on or next to property your club or district owns or rents. (Parking cars elsewhere is not covered.) Please review the **Loss Control Guidelines** found on the RI Insurance website for further information.
- Use of golf carts, unless they are licensed for over-the-road use.
- Non-owned or borrowed trailers (for food or beverage distribution) **while standing alone** (i.e. disconnected from a vehicle). When an auto or truck pulls the trailer, the vehicle’s insurance responds. The Rotary program’s coverage is for liability only; property damage to a trailer must be insured through a property or inland marine policy.
- Parade activities. Please see the **Loss Control Guidelines** found on the RI Insurance website for further guidance.

This is not an exhaustive list of covered activities. For more information on covered activities, please contact RI Risk Management.

## Harassment and Abuse Claims

The policy does not specifically include nor exclude coverage for sexual harassment or abuse claims. However, the policy does exclude coverage for criminal and intentional acts. Therefore, coverage for harassment and abuse claims may or may not be available depending on the wording of a claimant’s allegations.

## Obtaining General Liability Coverage Under This Program

Coverage is automatic for active clubs and districts in the U.S. and its territories and possessions. No application is necessary.

## Obtaining Certificate of Insurance

A new certificate of insurance process has been developed that allows Rotarians to create a certificate of insurance right from their desktop. To obtain a certificate of insurance please go to the RI Insurance website at:  
<http://www.rotary.org/support/insurance/index.html>.

Upon written request, copies of the policy will be available to insured club and districts only. Policies are for the sole use of clubs and districts and are not to be distributed without the written authorization of RI Risk Management. Your insurance policy is an asset. Treat it as you would any other asset.

## Reporting Claims

A claim must be reported to the RI Risk Management department as soon as your club or district becomes aware of it. Please refer to the ***Claim Reporting Guidelines*** and ***Claim Report Form*** posted on the RI Insurance website for further guidance.

## RI Insurance Website

For current policy and insurance information please visit our website at:

<http://www.rotary.org/support/insurance/index.html>.

## 2006-2007 Annual Assessments

Due to favorable loss experience, \$250,000 has been credited back to U.S. clubs and districts for the 2005-06 policy year. A credit was issued against the 2006-07 premium. The 2006-07 rates per member are as follows:

All U.S. States, excluding California .....	US\$2.74/active dues-paying Rotarian
California .....	US\$3.62/active dues-paying Rotarian
U.S. Territories & Possessions.....	US\$1.29/active dues-paying Rotarian

Assessments are allocated annually to all covered clubs through the 1 July 2006 Semi-Annual Report.

Because past claims directly affect the total cost of the insurance coverage and your assessment, it is in your best interest to make safety a priority in the conduct of your activities. Suggestions regarding safety practices are provided in the ***Loss Control Guidelines*** found on the RI Insurance website.