Club liability insurance

Nathan Peterman
Hylant

Lisa Heindricks
Kiwanis International
Named insured

Kiwanis International and its owned, controlled, subsidiary or affiliated organizations now or hereafter constituted including:

Kiwanis clubs

Kiwanis divisions

Kiwanis district foundations

Kiwanis societies*

Kiwanis club endowment funds*

Circle K clubs

Aktion clubs

Key Club Alumni Association

Circle K International Alumni Association

**Additional Insureds:** Club members and volunteers

*Applicable to Canada
## The program

<table>
<thead>
<tr>
<th>Commercial General Liability (bodily injury, personal injury and advertising injury and property damage)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Each occurrence limit</td>
<td>US$2,000,000</td>
</tr>
<tr>
<td>General aggregate</td>
<td>US$2,000,000*</td>
</tr>
<tr>
<td>*NOTE: General aggregate applies per district!</td>
<td></td>
</tr>
<tr>
<td>Products/completed operations</td>
<td>US$2,000,000</td>
</tr>
<tr>
<td>Personal/advertising injury</td>
<td>US$2,000,000</td>
</tr>
<tr>
<td>Non-owned and hired auto liability</td>
<td>US$1,000,000</td>
</tr>
<tr>
<td>Subject to policy aggregate</td>
<td>US$3,000,000</td>
</tr>
<tr>
<td>Fire damage (any one fire)</td>
<td>US$500,000</td>
</tr>
<tr>
<td>Sexual misconduct liability (each victim/aggregate limit)</td>
<td>US$2,000,000</td>
</tr>
<tr>
<td>Medical payments: 3rd party/members/volunteers</td>
<td>US$5,000</td>
</tr>
<tr>
<td>Commercial Excess Liability – excess of underlying primary insurance</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------</td>
<td>---</td>
</tr>
<tr>
<td>Each occurrence limit</td>
<td>US$34,000,000</td>
</tr>
<tr>
<td>Policy aggregate limit</td>
<td>US$34,000,000*</td>
</tr>
<tr>
<td>*NOTE: Limits apply per district!</td>
<td></td>
</tr>
<tr>
<td>Self-insured retention</td>
<td>US$10,000</td>
</tr>
</tbody>
</table>

Includes: premises/operations, products/completed operations, independent contractors liability, non-owned and hired auto liability

Care, custody and control of vehicles in parking lot fundraisers is covered. Note, however, that valet parking is excluded!
<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Navigators Insurance Co. (A XV)</td>
<td>US$25,000,000</td>
</tr>
<tr>
<td>Evanston Insurance Co. (A XV)</td>
<td>US$9,000,000</td>
</tr>
<tr>
<td>US$2,000,000 Primary</td>
<td></td>
</tr>
<tr>
<td>Lexington Insurance Co. (A XV) — USA</td>
<td></td>
</tr>
<tr>
<td>Chartis Commercial Insurance Co. (A XV)</td>
<td></td>
</tr>
<tr>
<td>Chartis Commercial Insurance Co. (A XV)</td>
<td>— Canadian Domestic</td>
</tr>
</tbody>
</table>
Liquor Related?
Liquor liability coverage

Applies to sale of alcohol when:

- Cost of beverage is included in ticket price of the event
- Tickets are sold that can be exchanged for a drink at the bar
- Have sign stating US$4.00 “donation” per drink
- Cash bar

Note:

- Limits do not apply per district!
- Coverage would **not** apply if the local jurisdiction requires a liquor license/permit and none is in place!
Politics aside
Exclusions
Covered?
Exclusions

- Aircraft/balloons/parachutes/ultralights
- Motorized racing/stunting events
- Bungee and Velcro jumping
- Watercraft: Owned/non-owned OVER 50 feet
- Asbestos- and lead-related liability
- Pending and prior litigation
- Medical payments for athletic participants
Exclusions

- Care, custody and control — property
- Pollution liability
- Employment practices liability
- Cross suits exclusion
- Professional liability exclusion
- Terrorism exclusion
“This policy shall not apply to liability arising out of the rendering of or failure to render professional services, or any error or omission, malpractice or mistake of a professional nature committed by or on behalf of the ‘Insured’ in the conduct of any of the ‘Insured’s’ business activities.”
Self-Insured Retention (SIR)

- SIR = like a deductible but includes defense costs, indemnity and medical payments
- Paid by Kiwanis International, NOT by clubs/districts
- US$75,000 per occurrence bodily injury and property damage
- US$1,000,000 aggregate per year
- US$5,000 medical payments coverage
Funding

- Premiums for US$36,000,000 in policy limits
- Claims within the Self-Insured Retention (SIR)
- Insurance charge per Kiwanian must fund both!
- US$13.00 per adult member, subsidize the youth clubs
Break
General liability claim history

Nathan Peterman
Hylant

Lisa Heindricks
Kiwanis International
**Claim Frequency by Type**

**Nov. 1988 – May 2016**

- **Sex Abuse**: 49
- **Automobile**: 87
- **Miscellaneous**: 398
- **Spec. Events**: 46
- **Prop. Damage**: 116
- **Slips/Falls**: 443
Claim Value by Type
Nov. 1988 – May 2016

- Sex Abuse: $14,110,000
- Automobile: $8,140,481
- Miscellaneous: $4,110,666
- Specl. Events: $4,652,407
- Prop. Damage: $367,629
- Slips/Falls: $3,360,418

Claim Value Range: $0 - $15,000,000
Claim Frequency in Five Year Increments
Nov. 1988 – May 2016

- 1993-1997: 278
- 1998-2002: 168
- 2003-2007: 140
- 2008-2012: 148
- 2013-2015: 43
Claim Costs in Five-Year Increments
Nov. 1988 – May 2016

Claim Costs in Five-Year Increments
Nov. 1988 – May 2016

$25,645,592

1993-1997: $2,023,195
1998-2002: $2,622,831
2003-2007: $1,601,658
2008-2012: $1,469,267
2013-2015: $1,379,058
## Loss Development

*Updated May 2016*

<table>
<thead>
<tr>
<th>Policy year</th>
<th>Valued first year</th>
<th>Valued 05/2016</th>
<th>Percentage development</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>185,044</td>
<td>1,352,085</td>
<td>631%</td>
</tr>
<tr>
<td>2003</td>
<td>25,419</td>
<td>231,939</td>
<td>812%</td>
</tr>
<tr>
<td>2005</td>
<td>145,446</td>
<td>209,119</td>
<td>44%</td>
</tr>
<tr>
<td>2007</td>
<td>63,170</td>
<td>187,251</td>
<td>196%</td>
</tr>
<tr>
<td>2009</td>
<td>63,431</td>
<td>339,034</td>
<td>434%</td>
</tr>
<tr>
<td>2011</td>
<td>95,522</td>
<td>342,980</td>
<td>259%</td>
</tr>
<tr>
<td>2013</td>
<td>74,294</td>
<td>95,113</td>
<td>28%</td>
</tr>
</tbody>
</table>

*Average development — 344%*
Average Claim Size by District
(10 Policy Years, Nov. 2005 – May 2016)
1,087 (95% of) losses = 30%

52 (5% of) losses = 70%

Just 52 claims account for 70% (US$24,167,073) of THE TOTAL COST OF CLAIMS (US$34,741,601)
General Liability Loss Ratio
Nov. 1988 – May 2016

Loss Ratio = 131%
Safety?
www.KiwanisOne.org/liability

Member Resources/Club Leader Tools/Risk Management