KIWANIS INTERNATIONAL

COMMERCIAL

GENERAL LIABILITY

INSURANCE
NAMED INSURED

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

Kiwanis Clubs
Kiwanis Districts
Kiwanis Divisions
Kiwanis Club Foundations
Kiwanis District Foundations
Kiwanis International Foundation
Kiwanis Societies (Canada)
Key Clubs
Circle K Clubs
Builders Clubs
AKtion Clubs
K Kids

Additional Insureds:
Club Members
Volunteers
THE PROGRAM

COMMERCIAL GENERAL LIABILITY - (Bodily Injury, Personal Injury & Advertising Injury, and Property Damage):

Each Occurrence Limit $1,000,000
General Aggregate $2,000,000**
Products/Completed Operations $2,000,000
Personal/Advertising Injury $1,000,000
Non-Owned & Hired Auto Liability $1,000,000
subject to Policy Aggregate $3,000,000
Fire Damage (Any One Fire) $ 50,000
Medical Payments: 3rd Party $ 5,000
Members/Vols. $ 5,000

INCLUDES:
Premises/Operations
Products/Completed Operations
Independent Contractors Liability

**NOTE: General Aggregate applies per District!
THE PROGRAM - Contd.

COMMERCIAL UMBRELLA LIABILITY - Excess of Underlying/Primary Insurance:

Each Occurrence Limit $35,000,000

Policy Aggregate Limit $35,000,000**

Self-Insured Retention $10,000

Includes: Premises/Operations
          Products/Completed Operations
          Independent Contractors Liability
          Non-Owner & Hired Auto Liability

**NOTE:** Limit applies per District!
KIWANIS Policy Exclusions

- Aircraft/Balloons/Parachutes/Ultra Lights
- Sale of Liquor
- Motorized Racing/Stunting Events
- Bungee & Velcro Jumping
- Law Enforcement Activities
- Watercraft: Owned, Non-Owned **OVER 50’**
- Asbestos & Lead Related Liability
- Med. Payments for Athletic Participants
- Care, Custody & Control - Property
- Pollution Liability
- Firearms Limitation – Live Hunting Exclusion
- Employment Practices Liability
Current Market Climate

- Ten years of indiscriminate rate cutting
- Investment Income no longer offsets Underwriting Losses!
- Profit becomes the main objective
- Fewer carriers willing to quote
- Catastrophe Losses – Flood, Fire or Quake
- Reinsurance Market Losses
- Need to increase reserves on old claims
- Restrictions on some classes of business
- Reduced Capacity/Limits available
Cost Components of Kiwanis Insurance Program

- Insurance Premiums
- Claims within the Self-Insured Retention
- Self Insured Retention for Sexual Misconduct $250,000!
- Insurance charge per Kiwanian must fund both!
KIWANIS INTERNATIONAL
LIABILITY LOSSES - FREQUENCY
11/88 TO 5/03

Year | Frequency
--- | ---
1988 | 56
1989 | 60
1990 | 58
1991 | 77
1992 | 70
1993 | 70
1994 | 78
1995 | 86
1996 | 58
1997 | 55
1998 | 55
1999 | 41
2000 | 31
2001 | 28
2002 | 4
<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
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<tbody>
<tr>
<td>Sex Abuse</td>
<td>10,027,123</td>
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<tr>
<td>Burns</td>
<td>2,075,540</td>
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<tr>
<td>Slips/Falls</td>
<td>833,892</td>
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<tr>
<td>Haunted House</td>
<td>53,319</td>
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<td>Xmas Trees</td>
<td>7,400</td>
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<tr>
<td>Defame/EPL</td>
<td>435,373</td>
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<tr>
<td>Automobile</td>
<td>8,073,058</td>
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<tr>
<td>Miscellaneous</td>
<td>81,990</td>
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<tr>
<td>Prop. Damage</td>
<td>571,304</td>
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<td>Specl. Events</td>
<td>61,520</td>
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<tr>
<td>Sex Abuse</td>
<td>462,328</td>
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COST BY TYPE 11/88 TO 5/03
## KIWANIS INTERNATIONAL
### Loss Development As Of 5/03

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<thead>
<tr>
<th>Policy Year</th>
<th>Valued May-97</th>
<th>Valued May-98</th>
<th>Valued May-99</th>
<th>Valued May-00</th>
<th>Valued May-01</th>
<th>Valued May-02</th>
<th>Valued May-03</th>
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<td>1989-90</td>
<td>1,299,794</td>
<td>1,299,794</td>
<td>1,307,333</td>
<td>1,304,833</td>
<td>1,437,326</td>
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<td>1990-91</td>
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<td>2,255,447</td>
<td>2,255,447</td>
<td>3,499,675</td>
<td>2,897,586</td>
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<td>430,691</td>
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<td>443,172</td>
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<td>1993-94</td>
<td>269,131</td>
<td>236,055</td>
<td>190,556</td>
<td>204,992</td>
<td>693,711</td>
<td>703,149</td>
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<td>171,186</td>
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<td>286,754</td>
<td>272,187</td>
<td>268,527</td>
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<td>1995-96</td>
<td>262,580</td>
<td>305,787</td>
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<td>303,547</td>
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<td>142,431</td>
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<td>1998-99</td>
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<td>64,650</td>
<td>91,863</td>
<td>273,662</td>
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<td>98,486</td>
<td>252,522</td>
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<td>2000-01</td>
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<td>161,941</td>
<td>271,082</td>
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<td>57,763</td>
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KIWANIS INTERNATIONAL
LIABILITY & AUTO - LARGE LOSSES
NUMBER VS. % OF TOTAL COST AS OF 5/03

62 LOSSES OVER $25,000 = 95% OF THE TOTAL INCURRED COST OF CLAIMS!
KIWANIS INTERNATIONAL

ACCOUNT LOSS RATIO: 11/1/88-02
As of 5/03

Total Premiums: 15,403,386
Total Losses: 22,266,645

Loss Ratio = 145%
General Liability Issues

- A Safety Coordinator in Every Club
- A District Risk Manager in Each District
- Be Involved, not just “Sponsoring”!
- Minimize High Hazard Activities!
- Use the Risk Management Packet!!!
- DON’T offer others coverage under the Kiwanis Insurance Program!!!
- Protect the Program as if it were your own Business or Personal Insurance!
- When in doubt, Call HYLANT GROUP at (800) 678-0361
District Risk Managers:
A valuable resource available to assist in answering questions about the Kiwanis General Liability Insurance Program, and to help in identifying and dealing with exposures to loss inherent in your club and District activities.

DON'T HESITATE TO CALL ON THEM!!!
DIRECTORS & OFFICERS LIABILITY INSURANCE

- Covers Directors, Officers, Employees, Staff, Volunteers, Committee Members
- Covers Employment Related Matters
- Full Prior Acts Coverage
- Pays Defense in addition to Policy Limits
- Defense Costs paid on current basis
- No Insured vs. Insured Exclusion
KIWANIS D&O Coverage

- Claims Made Coverage - Important Aspects
- What this means for future & past Boards
- Affordability Issue
- Increased Claims involving Harassment
- Discrimination - “Good Old Boy” syndrome
- Youth group exposures & impact on the district
- How should clubs make a decision?
DIRECTORS & OFFICERS LIABILITY INSURANCE

- Includes "Entity" Coverage
- Non-Cancelable by the Insurer
- Foundations covered at no additional cost
- $1,000,000 Limit with No Retention
- Premium determined on a per district basis
- Application Required
Typical D&O Claim Allegations

- Failure to Act
- Mismanagement of Funds
- Conflict of Interest
- Bad Faith
- Unfair Employment Practices
- Wrongful Termination
- Discrimination
- Sexual Harassment
D&O vs. General Liability - What is the Difference?

- Genl. Liability covers Bodily Injury, Property Damage, and Advertising Injury
- D&O Covers “Wrongful Acts” (not Bodily Injury, Property Damage, etc.) plus it covers Employment Practices Liability hazards.
- Genl. Liability is “Occurrence” Coverage
- D&O is “Claims Made” Coverage
COMPREHENSIVE CRIME INSURANCE COVERAGE

- Includes Employee Dishonesty, Forgery, Money & Securities Coverage
- Definition of "Employee" includes District Chairman, Volunteers, Non-Compensated Officers, and Committee Members
- $10,000 Base Limit with $100 Deductible
- $125 Annual Premium
- No Application Required