

# Kiwanis

International

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November 2009

To: U.S. and Canadian club secretaries:

Please find enclosed the **Kiwanis International General Liability Risk Management Packet** for the policy period of 11/1/2009 to 11/1/2010.

Please review the contents as it provides information critical to club operations. Ordinarily a club will not need additional liability insurance since the policy applies to most operations and activities, except for the exclusions listed in the packet. Other exceptions are that this insurance will not replace health and accident, workers' compensation, property, crime and other insurance in such special categories. Clubs must obtain insurance coverages for those exposures on a local level.

Please be aware, if there is a claim arising out of an activity that is not covered, any claim costs or legal fees are the responsibility of the club.

The fee for the insurance is US\$12 per member per year. As per the Kiwanis International Bylaws, clubs are authorized to use funds from their service accounts to pay the general liability insurance premium for all amounts.

Your continued help is needed to maintain reduced losses. To help contain future insurance expense, it is imperative that clubs do everything possible to control or prevent losses. With that in mind, please give this packet to your safety coordinator for use throughout the year. If your club does not have a safety coordinator, now is the time to appoint one. Each club is strongly encouraged to have a safety coordinator to help reduce potential risks at club activities.

**Note:** Directors and officers liability insurance is not provided with this general liability insurance program. That is an optional program which can be purchased by your club. Information on directors and officers (D&O) insurance was sent in a separate mailing in September 2009.

If unusual situations arise that require further explanation, inquiries should be directed to Adam Reiff, Hylant Group, P.O. Box 40925, Indianapolis, IN 46280-0925, phone 800-678-0361, ext. 15139, or fax 317-817-5151.



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If we may be of further service to you, please feel free to contact the Risk Management Department at the International Office.

The contents of this packet can also be found on the [www.KiwanisOne.org](http://www.KiwanisOne.org) Web site at the following address: [www.kiwanisone.org/Pages/Resources/default.aspx?PageID=122](http://www.kiwanisone.org/Pages/Resources/default.aspx?PageID=122)

Sincerely,



Lisa M. Heindricks, SPHR  
Director of people, places and risk services

Enclosure: General Liability Risk Management Packet

cc: International Board of Trustees  
U.S. & Canadian governors  
U.S. & Canadian governors-elect  
U.S. & Canadian district secretaries  
U.S. & Canadian lieutenant governors  
U.S. & Canadian district risk managers



## By a program of **COMPREHENSIVE GENERAL LIABILITY INSURANCE**

**For KIWANIS INTERNATIONAL and its member clubs,  
divisions, and districts**

### GENERAL

In the UNITED STATES AND CANADA, Kiwanis International has a program of Comprehensive General Liability Insurance for Kiwanians. The policy is intended to provide legal liability insurance for sums which insureds may become legally obligated to pay as damages to third parties for bodily injury or property damage arising out of a Kiwanis-sponsored function or activity.

**All insureds are automatically covered, and no action on your part is required.**

The purpose of this brochure is to describe the plan in a manner which will enable Kiwanians to understand its application to their activities. The provisions of the policy apply to most normal liability exposures of Kiwanis clubs. This is a standard Comprehensive General Liability Policy and contains the **standard exclusions** usual to such insurance.

**Nothing in this brochure can be construed to extend, alter, vary or waive any of the provisions of the policy.** If unusual situations arise which require further explanation, inquiry should be directed to:

#### NEW ADDRESS:

Hylant Group  
P. O. Box 40925  
Indianapolis, IN 46280-0925  
800-442-7475 (U.S. only) or 317-817-5000  
800-678-0361, ext. 15139 (CANADA)

### WHO IS INSURED

Kiwanis clubs and members when involved in a  
Kiwanis activity  
Kiwanis club foundations  
Divisions  
Districts and district foundations

Kiwanis International  
Kiwanis International Foundation  
Subsidiaries and affiliates  
Key clubs and Circle K clubs and their members  
Nonmember volunteer workers  
Builders Clubs and their members  
Kiwanis societies (Canada)  
K-Kids clubs and their members  
Aktion Clubs and their members  
Key Leader  
Kiwanis Endowment Funds (Canada)

### LIMIT OF LIABILITY

\$2 million combined single limit per occurrence of bodily injury and property damage regardless of the number of insureds under the policy. In addition, there is a supplemental umbrella liability policy. These coverages are excess over any other insurance in force covering your specific club activities.

### COVERAGE

This is a Legal Liability Policy and the following coverages are provided:

- Premises, operations, and activities
- Elevator liability
- Products and completed operations
- Owners and contractors protective
- Contractual liability
- Broad form property damage
- Personal injury coverage
- Fire legal liability
- Incidental malpractice
- Hired, rented and nonowned automobile liability
- Medical payments-third parties = \$5,000
- Members and volunteers = \$5,000
- Liquor liability

## KEY EXCLUSIONS

Liability arising out of the operation, use, or maintenance of automobiles (including buses and trailers) owned by named insureds is **not covered**. If a Kiwanis organization owns an automobile, it must be **separately** insured. Liability for the use of rented, hired or non-owned automobiles is covered for third party bodily injury and property damage claims **only**. **This policy is excess coverage over all primary insurance on the vehicle and specifically excludes physical damage claims** such as comprehensive and collision.

Liability arising out of a Kiwanis activity from the use of automobiles owned by individual Kiwanians is covered but **only** as excess over the owner's insurance. Physical damage coverage, such as comprehensive and collision, is **excluded**.

Liability arising out of the operation, use, or maintenance of aircraft (including hot air balloons) is not covered.

Liability arising out of the operation, use, or maintenance of any owned watercraft (except owned rowboats and canoes) or non-owned watercraft over 50 feet is **not** covered.

Liability arising out of injury to employees (worker's compensation exclusion) is **not** covered.

Liability for damage to property in your care, custody, or control (not owned by your club) is **not** covered.

Bungee or Velcro jumping/runs are specifically excluded under the policy.

## ACTIVITIES INVOLVING OUTSIDE CONTRACTORS

Certificates of insurance should be obtained from outside firms or organizations actually presenting events for Kiwanis, furnishing equipment, or selling products or services. Such events as carnivals, circuses, rodeos, sporting events, air and automobile shows, and races fall into this category as well as concessionaires selling products.

The individuals or firms involved in providing such products or services should assume all liability arising from the furnishing of those goods or services and an agreement to this effect should be in writing and should contain a

hold-harmless provision in favor of Kiwanis International and its members. The certificate of insurance should indicate coverage for this contractual agreement.

## CERTIFICATES OF INSURANCE

Owners of premises and other facilities used by Kiwanis can be included as additional insureds as respects to their liability for the Kiwanis use of their property. When required, a Kiwanis club may issue a certificate of insurance in the owner's favor. Hylant Group will send the required certificate of insurance to the Kiwanis club upon request. Note that there is no additional charge or cost for requesting an additional insured certificate of insurance.

## SAFETY COORDINATOR

Each club is urged to appoint a safety coordinator who is to be consulted in the planning of any Kiwanis-sponsored event to help assure the safety of participants and all others involved. The safety coordinator's responsibility is to analyze the risk factors involved, eliminate those factors to the greatest extent possible, transfer those risk factors to other individuals or organizations, and obtain appropriate hold-harmless agreements and certificates of insurance for his/her club.

## PREMIUM PAYMENT

The premium for this insurance is paid by Kiwanis International from funds provided by member clubs. The Insurance and Indemnification article of the Bylaws of Kiwanis International provides that clubs shall pay the annual per capita cost for this coverage, and this is submitted with the payment of the International dues.

## CLAIM REPORTING

When a claim situation arises, **DO NOT** admit to liability or suggest that a settlement may be offered. If correspondence or other communication is received indicating that a claimant feels a Kiwanis member, club, or district is

responsible for damages or injury, an immediate report should be made. Satisfactory claim settlements can best be made by those properly trained for this function. **No Kiwanian should enter into negotiations with a claimant.**

**If you receive a letter of representation from an attorney or are served with a Summons and Complaint, immediately phone the Hylant Group. These are time-sensitive documents and require special handling and immediate attention. Prompt reporting of occurrences is critical in keeping claim costs at a minimum.**

All claims, or occurrences which MIGHT lead to claims, should be reported promptly to:

**NEW ADDRESS:**

Hylant Group  
ATTN: Claims Department  
P. O. Box 40925  
Indianapolis, IN 46280-0925  
800-678-0361, ext. 15186  
317-817-5000  
317-817-5151 (fax)

### TYPICAL QUESTIONS AND ANSWERS

**NOTE: (W) =** Indicates Waiver of Liability form is strongly recommended of all participants.

**(C) =** Indicates certificate of insurance should be required of party with whom we are contracting.

1. Q. Does the policy apply to food poisoning?  
A. Yes.
2. Q. Is there coverage for legal liability for damage to buildings rented or used by Kiwanis?  
A. **Only if damage is caused by fire, and then only for \$100,000 any one fire. (Canada, \$1 million limit)**
3. Q. Is there coverage for legal liability for damage to contents of buildings such as furniture, carpeting, fixtures, etc., when rented to or used by Kiwanis?  
A. No.
4. Q. Is there liability coverage for operation of automobiles (including buses and trailers) hired by, rented by, or loaned to the Kiwanis Organization?
  - A. Yes. The owner's insurance is primary, but this policy provides excess and contingent liability coverage for named insureds. Comprehensive and collision coverage, however, is excluded.
5. Q. Is there coverage for automobiles owned by the Named Insureds?  
A. No.
6. Q. A Kiwanian is driving his/her car on Kiwanis business and strikes a tree damaging his/her car and injuring himself/herself. Is there any coverage under this policy?  
A. **This policy does not provide physical damage insurance on cars used on Kiwanis business, and there would be no legal liability for injury to the club member or passenger. However, coverage for property damage to the tree would be included on an excess basis. The vehicle owner's insurance provides the primary coverage.**
7. Q. Is an injury caused by a Kiwanian or volunteer worker assisting on a Kiwanis project covered?  
A. **Yes, but only if there is legal liability resulting from negligence of a named insured.**
8. Q. Is there coverage for damage to Kiwanis-owned property?  
A. No.
9. Q. What about an injury to a participant in a sporting event or other activity sponsored by Kiwanis?  
A. **Such an individual is covered, but only if there is legal liability resulting from negligence of a named insured. Note that medical payments coverage does not apply to athletic participants! (W)**
10. Q. Are athletic events, carnivals, rodeos, circuses, horse shows, fireworks displays, picnics, parades, pancake days, dances, contests, and similar activities covered?  
A. **Yes, when there is legal liability resulting from negligence of a named insured. When such activities are sponsored by Kiwanis, but conducted by others, the other party's (contractor's or service provider's) insurance is primary, and you must obtain a proper certificate of insurance with limits of not less than \$1 million combined single limit naming your club and Kiwanis International as additional insureds! The contractor or service provider conducting the activity should also be required to sign a hold-harmless agreement in favor of Kiwanis International and the sponsoring Kiwanis club. (C)**

11. Q. Are club, division, district, and other Kiwanis meetings, including conventions covered?  
A. Yes.
12. Q. Are any workers' compensation benefits provided?  
A. No.
13. Q. Our club sponsors a dental clinic. Are we covered for malpractice on the part of a dentist we would employ? Is the doctor who donates his/her services covered?  
A. *The policy includes coverage for injury arising out of the rendering of, or failure to render professional services by a physician, dentist, or nurse while employed by, sponsored, or donating his/her services to the named insured. Your club would be protected for its contingent liability for the doctor's acts. The doctor's own professional liability insurance would be primary. The policy provides "Incidental Malpractice" coverage and does not cover the doctor for his/her direct professional liability. The doctor should provide you with a certificate of insurance evidencing his/her own professional liability coverage. (C)*
14. Q. Will our club need additional insurance, and does this insurance coverage replace all kinds of insurance which are now purchased by every club?  
A. *Ordinarily, a club will not need additional liability insurance since the policy applies to most operations and activities with the exception of the operation, use, or maintenance of the insured's owned automobiles, aircraft, and watercraft. However, coverage would apply to non-owned watercraft under 50 feet in length. Additionally, this insurance will not replace health and accident insurance, workers' compensation, property, fidelity, loss of money, directors and officers liability, and other insurance in such special categories. Such insurance coverages, if desired, should be acquired by member clubs at the local level.*
15. Q. Does the program provide medical payments for named insureds and third parties?  
A. *Yes, but the coverage is self-insured by Kiwanis International. Limits are \$5,000 for third parties, and \$5,000 for club members and volunteers.*
16. Q. Our club will sponsor an air show. How does the policy apply to this exposure?  
A. *The policy would apply to activities, concessions, etc., at the show, but would not cover accidents arising from the operation, maintenance, or use of any aircraft. The show operator or aircraft owners must carry adequate liability insurance. To be properly protected, you must have your club and Kiwanis International named as additional insureds under the operator's or owner's insurance or arrange separate nonowned aircraft liability insurance protecting your club and Kiwanis International for the event. (C)*
17. Q. Our club owns a refreshment trailer from which we sell food and beverages at fairs, carnivals, picnics, or other functions. Do we need separate liability insurance?  
A. *This policy would apply to the trailer when used as a refreshment stand. However, if the trailer is subject to motor vehicle registration, it would be considered an "owned automobile" and the policy would not provide liability coverage while it is being towed between sites. A separate auto liability policy should be arranged.*
18. Q. If our club contracts with others to conduct a special event, does this policy protect us?  
A. *Yes. However, the contractor or service provider's liability must be primary and name the local club and Kiwanis International as additional insureds. A certificate of insurance for not less than a \$1 million combined single limit naming the local club and Kiwanis International as additional insureds must be obtained from the contractor/service provider prior to the event along with a hold-harmless agreement in favor of your club and Kiwanis International. A copy of the certificate must be furnished to Kiwanis International Office for their permanent file! (C)*
19. Q. Does our policy provide coverage for our club sponsoring a bungee-jumping event?  
A. *No. Bungee jumping/runs and Velcro jumping/runs are specifically excluded under the policy.*
20. Q. Are district and club foundations of affiliated or sponsored organizations operated or controlled by local clubs covered?  
A. Yes.
21. Q. Occasionally, our club has the assistance of nonmember volunteers in our activities. Are these people covered?  
A. *Yes, but only if there is legal liability for injury or damage arising out of their negligence. Medical payments coverage would also apply to volunteers*

*if they are injured while working in a Kiwanis sponsored activity.*

22. Q. Does this policy provide coverage for claims arising out of the sale of alcoholic beverages?  
A. *Yes, the policy provides both host liquor liability and liquor liability coverages.*
23. Q. How does our club enroll for this insurance?  
A. *No enrollment forms or any action on your part is necessary. All clubs and members are automatically covered.*
24. Q. How do we pay our premium?  
A. *The club pays its premium at the same time as the semi-annual billing for club dues.*
25. Q. Our club occasionally is involved in an activity that requires liability insurance beyond the limits and coverage afforded by this policy. Can these special situations be covered by an endorsement and additional premium payment?  
A. *No. All other insurance requirements must be arranged for locally.*
26. Q. Our club engages in many activities involving young children. Is there any coverage in our program to protect us against allegations of sexual abuse or molestation?  
A. *Yes. Sexual abuse and molestation are covered under the policy.*
27. Q. Our club sponsors and members also participate in sporting events such as baseball, basketball, football, and hockey. Are these and similar activities covered?  
A. *Yes, when there is legal liability as a result of negligence of a named insured. However, there are no provisions for blanket medical payments coverage for athletic participants. (W)*
28. Q. Does this coverage apply to club-sponsored events such as snowmobile races, motorcycle races, drag races, and other similar activities?  
A. *Yes, but only for legal liability of named insureds arising out of the use of premises or the sale of products (food, beverages, etc.) However, there is no coverage for bodily injury or property damage caused by the snowmobile, motorcycle, go-cart, or any other type of "mobile equipment." This coverage must be provided*
- by each driver participating in the race who must be responsible for his/her own negligence. Otherwise, your local club will have to purchase a separate policy through a local agent or broker specifically covering the racing event. (W,C)*
29. Q. Are Kiwanians covered for liability when using their own automobiles to transport people on their Kiwanis business?  
A. *Anyone volunteering services to Kiwanis is covered while using an automobile not owned or hired by Kiwanis to transport people on Kiwanis business. Anyone who furnishes that car also is covered. The insurance provided by this policy is excess over any other valid and collectible insurance.*
30. Q. Our Kiwanis club owns a camp and has canoes and rowboats. Are we covered for this exposure?  
A. *Yes, coverage does apply to liability arising out of the ownership, operation, maintenance or use of any nonmotorized watercraft under 50 feet owned by the Kiwanis club. Further, liability arising out of the use of watercraft under 50 feet in length which are not owned by the Kiwanis club but which are used in a Kiwanis-sponsored event would also be covered. (W,C)*
31. Q. Our club conducts the "Every Child a Swimmer" program. Are we covered for liability arising out of this activity?  
A. *Yes, this would qualify as a sponsored activity and would therefore be covered by the policy. (W)*
32. Q. Our club feels we need higher limits of liability than those provided by the Kiwanis International policy. What type of insurance should we consider?  
A. *If limits above those carried by Kiwanis International are required, you should purchase an "Excess Liability Policy." This type of policy will provide additional limits of liability which will apply once the limits of the Kiwanis International liability policy is exhausted.*
33. Q. We sell children's car seats as a club activity. Is this exposure covered?  
A. *Yes, but you should not do any service, repair, or installation work involving the car seats as this might void the manufacturer's warranty and the application of the manufacturer's insurance.*
34. Q. What happens when a party with whom we contract

refuses to accept our certificates of insurance and requests a special form, copy of our policy, or other types of endorsements?

- A. *The General Liability Insurance provided for Kiwanis International and its member clubs is very broad in scope. Normally, this insurance will be adequate to cover almost any type of event. However, if circumstances arise where our standard certificate of insurance will not satisfy requirements, please contact Hylant Group, Inc. at 800-442-7475 for further assistance. Keep in mind that modifications to the standard certificate of insurance are not permitted by the insurer without first having secured approval from Hylant Group.*

35. Q. Occasionally our club is approached by professional promoters desiring to conduct various types of fundraising activities. All our club is required to do is permit its name to be used as sponsor of the show, and help sell tickets. The promoter does everything else including hiring necessary facilities, printing fliers, obtaining performers, etc. Our club receives a percentage of the price of each ticket sold. How will our insurance apply to such situations?

- A. *Your club will have coverage, but you must require the promoter to furnish a certificate of insurance for not less than a \$1 million combined single limit which names your club and Kiwanis International as additional insureds. The promoter should also be required to sign a hold-harmless agreement in favor of your club and Kiwanis International (See #18) (C)*

36. Q. Our Kiwanis club and another service club have been asked by the local town council to take over running of our community swimming pool next summer as a service project. We will charge a fee for use of the pool and intend to hire a full-time manager who will hire the lifeguards and instructors, and be responsible for maintenance. Are all of the people involved in this operation protected under our General Liability Insurance?

- A. *Your club is protected by the Comprehensive General Liability Insurance policy. The city also would be covered if added as an additional insured as owner of premises being used by Kiwanis. The individual lifeguards and the full-time manager are not named insureds, and would not be covered as nonmember volunteers. Unless these employees are hired by your Kiwanis club, they would not be insured under the Comprehensive General Liability policy. The other*

*service organization co-sponsoring this project would not be covered by the Kiwanis insurance either. With paid employees, there exists a workers' compensation exposure which requires a separate/additional policy which should be secured at the local level.*

37. Q. Is our club covered for damage to property we rent or borrow for club activities?

- A. *No. Policy specifically excludes coverage for property in your care, custody or control, such as golf carts.*

38. Q. Our club occasionally parks cars at local special events as a fundraiser. Is this covered by the Kiwanis Insurance program?

- A. *If the lot is not a controlled lot, i.e. restricted access and egress and completely administered by you, and you are not parking the cars (actually driving them), then the regular general liability coverage would apply. However, if you control the lot and monitor or guard its access points and perimeter, or if you actually drive the cars to their parking spot (valet parking), then Kiwanis general liability coverage would not apply, as the cars would be deemed to be in your care, custody, or control, and would be specifically excluded by the policy. To properly cover this exposure you would need to purchase Garagekeepers Legal Liability coverage from a local agent.*

39. Q. Does the Kiwanis Insurance Program provide me with liability coverage when I am driving to and from club meetings or other Kiwanis activities?

- A. *No. Driving to and from activities would not be considered being "on Kiwanis business," and would not be covered. For coverage to apply, you would have to be actively engaged in a Kiwanis activity, such as delivering Meals on Wheels or transporting senior citizens to doctor appointments.*

### Cost components of Kiwanis Insurance Program

- Insurance premiums for \$36,000,000 in policy limits
- Claims within the self-insured retention (SIR)
- Insurance charge per Kiwanian must fund both!

The cost charged to the membership is made up of the premiums for the insurance as well as the self-insured retention (SIR) or deductible. This policy year, the SIR is \$100,000 per claim, meaning the first \$100,000 in claim expense is paid by Kiwanis International. The money paid by the membership funds this SIR as well as pays for the insurance policies.

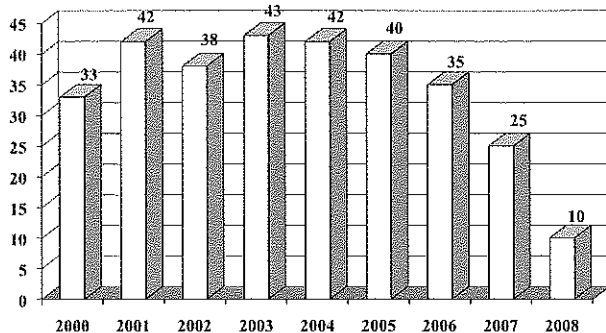
### General Liability Points

- Appoint a safety coordinator in every club.
- Appoint 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 program.
- Protect the program as if it were your own business or personal insurance.

**When in doubt, call HYLANT GROUP at (800) 678-0361.**

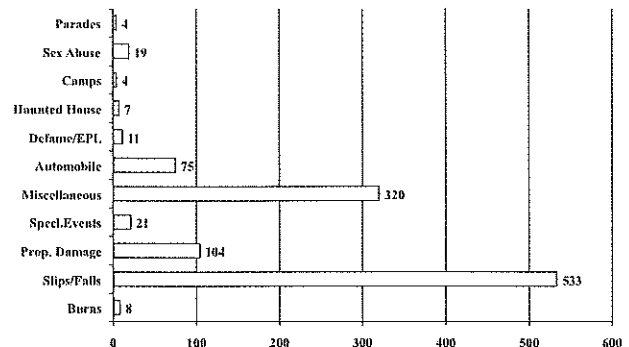
Protect the program like it is your own.

### KIWANIS INTERNATIONAL LIABILITY LOSSES - FREQUENCY November 2000 to May 2009

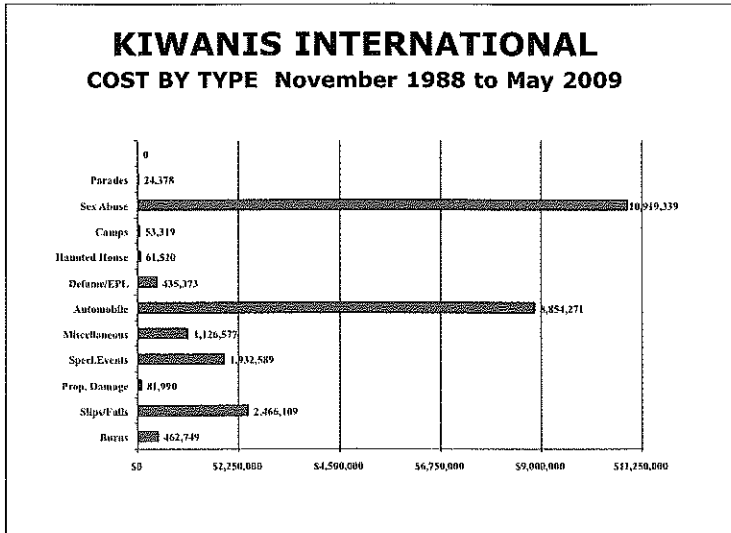


Over the past 20 years, the program averages approximately 55 claims per year, which is low considering all the meetings, fundraisers and service projects conducted by clubs. Keep in mind that claims are not always filed in the year the injury or accident occurs. It can take two to three years before a claim is presented and another two to three years for the claim to be resolved.

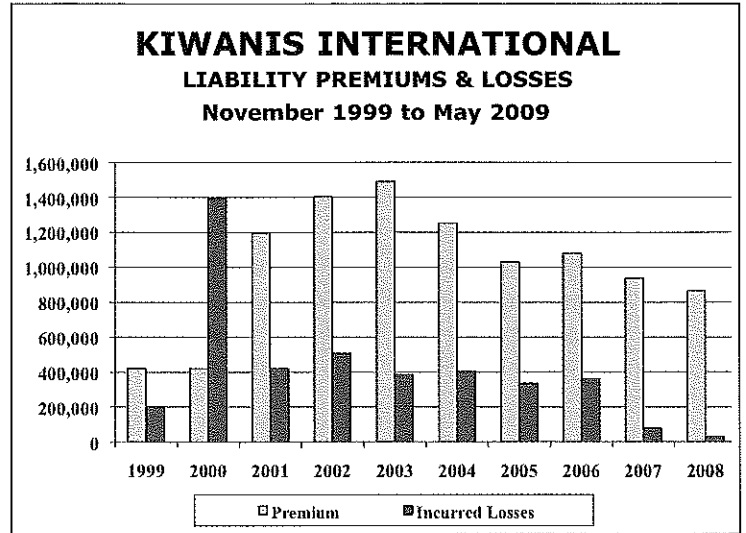
### KIWANIS INTERNATIONAL FREQUENCY BY TYPE November 1988 to May 2009



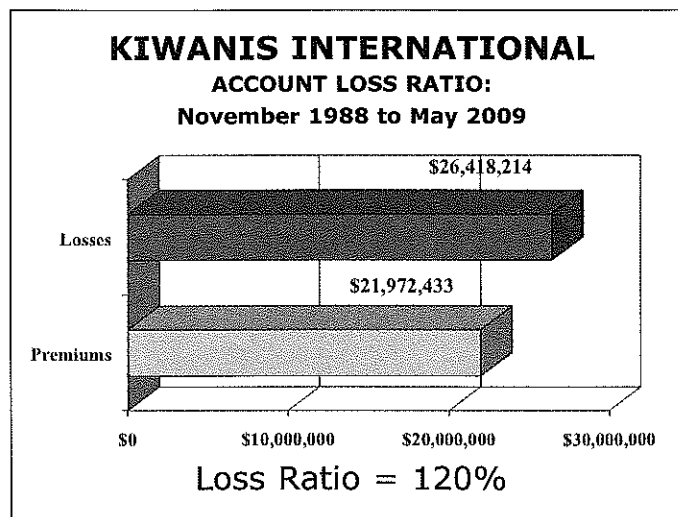
The breakdown of the number of claims by type indicates slips/falls and miscellaneous equal 77 percent of the claims received. Miscellaneous would include things like a broken tooth, an injured arm, a poke in the eye, etc.



This chart indicates the total amount paid by Kiwanis International and the insurance carriers for each area. Though slips/falls and miscellaneous equal 77 percent of the claims, sexual abuse and auto claims equal 75 percent of the claim expense. It is important that clubs continue to implement risk-management controls to prevent such catastrophic claims.



In the late 1980s and early '90s, the program suffered significant losses, and the insurance carriers paid out considerably more money in claims than they were paid in premiums. Since then, however, the program has continued to show reduced losses. This reduction in losses can be maintained if clubs continue to focus on loss prevention.



The insurance companies target 50 percent or below as an acceptable loss ratio. A 50 percent loss ratio would mean that 50 cents of every \$1 paid in premiums would be used for payment of claims. The loss ratio for the Kiwanis program is 120 percent, which means \$1.20 is paid out in claims for every \$1 collected in premium. Since the mid-1990s, the loss ratio has improved, and today it is running around 35 percent.