



ROTARY INTERNATIONAL

U.S. ROTARY CLUBS AND DISTRICTS LIABILITY INSURANCE PROGRAM

Insurance Policy Summaries

[General Liability Policy Summary](#)
[Directors' & Officers' / Employment Practices Liability Summary](#)

The U.S. Rotary Club & District Insurance Program (“Program”) provides general liability (GL) and directors’ & officers’ / employment practices liability (D&O/EPL) insurance coverage automatically to active U.S. Rotary Clubs & Districts (subject to policy terms and conditions).

Risk Management
July 2020

U.S. ROTARY CLUBS AND DISTRICTS LIABILITY INSURANCE PROGRAM

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GENERAL LIABILITY POLICY SUMMARY

The U.S. Rotary Clubs and Districts Liability Insurance Program (“Program”) provides general liability insurance coverage to all active U.S. Rotary clubs and districts and Rotaract clubs for their liability arising out of bodily injury and property damage to a third party, subject to policy terms and conditions. It is important to make safety a priority when conducting all activities and events to prevent or minimize claims. Below is an overview of the general liability insurance provided by the Program.

INSURANCE QUESTIONS

If you have questions, please contact:

Gallagher Insurance Broker

Phone: (833) 3ROTARY or (833) 376-8279

Email: rotary@aij.com

Gallagher Insurance Website: <https://rotary.aij.com>

HOW TO GET A CERTIFICATE OF INSURANCE

To get a certificate of insurance, please visit the [Gallagher Insurance Website](#), which is set up for U.S. Rotarians.

HOW TO GET AN ADDITIONAL INSURED ENDORSEMENT

If you need an additional insured endorsement, it must be required in a written contract, application or permit the club or district enters into with another party. Please send the contract, application or permit requirements to Gallagher via email and allow 3 to 5 business days for the document(s) to be issued to the club or district via email.

INSURANCE ASSESSMENTS

Annual assessments are charged to all insured U.S. Rotary clubs through the July Club Invoice. Insurance assessments fund PPH National Insurance Co. (PPH Captive) and the cost of commercial insurance premiums. The assessment amounts are prepared annually by an actuary and depend on claims activity per state, funding needs of the self-insured retention, the cost of commercial insurance, and premium credit for past claims history.

LIMITS

\$ 250,000	Per occurrence, self-insured retention (PPH Captive)*
\$ 2,000,000	Per occurrence, primary insurance (excess of \$250,000)
\$ 2,000,000	Non-owned and rented auto liability (excess of personal auto liability insurance)
\$ 5,000,000	Per occurrence, excess insurance (excess of \$2,250,000)

*The first \$250,000 of each claim is paid from the assessments collected from U.S. Rotarians through the July Club Invoice. Self-insured retention/deductibles are not billed to any individuals, Rotary clubs or districts.

Rotary International purchases additional insurance for catastrophic losses.

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

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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.

*Rotary Clubs include Satellite Clubs, E-Clubs, Passport Clubs, Corporate Clubs, Cause-Based Clubs and Alumni-based Clubs.

**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;
- The foundation is income tax-exempt under section 501(c)(3) of the Internal Revenue Code;
- The foundation 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.

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).

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.

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INCIDENT REPORTING

Please immediately report all incidents and/or losses to RI Risk Management. Insurance coverage could 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 [Gallagher Insurance Website](#) 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.

COVERAGES PROVIDED

- **General Liability** protects Rotary clubs and districts against liability claims for bodily injury to a third party and damage to a third party's property. This insurance is typically required by a lessor/municipality when a Rotary club or district holds events, fundraisers, or other activities.
- Personal and Advertising injury which includes **copyright infringement** in your "advertisement". "Advertisement" means a notice that is broadcast or published to the general public including material placed on the internet.
- **Liquor Liability** for damages to a third party arising from the selling, serving or furnishing of alcoholic beverages. Coverage is included for a club/district that is selling, serving, or furnishing alcoholic beverages.
- **Medical Payments (Med Pay)** is a type of no-fault coverage for bodily injury. This coverage pays for medical expenses incurred by a third party for an injury sustained while not admitting liability or fault. The Program excludes medical payments for persons injured while practicing, instructing or participating in any athletic events or activities.
- **Non-Owned/Rented Auto Liability** for the use of hired, leased, borrowed, or non-owned autos. This coverage responds after any insurance carried by the owner/operator of the vehicle is exhausted. This excess coverage is intended for insured entities only and does not extend to individual auto owners.
 - If the Rotary club/district owns an auto, it must be separately insured by the club.
 - There is no comprehensive or collision coverage for **damage** to any auto operated by the club/district.
 - **Note:** The coverage territory for non-owned/hired auto liability coverage is limited to only the U.S., its territories and possessions, and Canada.
- **Abuse and Molestation.** There is no exclusion on the policy related to abuse and molestation. The policy is silent and would respond to claims that arose.

To review all coverages, refer to the General Liability Insurance Policy that is on [Gallagher Insurance Website](#). For more detailed information on the above coverages, please see the FAQ and/or Loss Prevention Strategies on [Gallagher Insurance Website](#).

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CLUB & DISTRICT REQUIREMENTS DUE TO PROGRAM LIMITATIONS

• Construction Projects

The Program provides **limited** coverage for liability arising out of bodily injury and property damage to a third party when your club is involved in a large construction project, subject to policy terms and conditions.

If your club or district is involved in a construction project where the value of materials (donated or purchased) is \$50,000 or more, your club or district is **required** to:

- Purchase a primary liability insurance policy with minimum limits of \$1M per occurrence up to the project cost including products liability and completed operations for 5 years.
 - Contact an insurance agent or broker to discuss your insurance needs for your construction project.
- The Program will provide excess insurance over a club or district's primary insurance policy in the case of a catastrophic loss.
 - Contact RI Risk Management Department if your club or district incurs a loss from your event.
- **Send RI Risk Management a Certificate of Insurance evidencing primary coverage is in place for your project or activity.**
 - **Email to insurance@rotary.org fax to: 847-556-2147**
- The Rotary club or district should:
 - Have an attorney review any contracts associated with the construction project;
 - Be named as an additional insured on a primary and non-contributory basis on the contractor's applicable insurance policy(ies) and be provided a certificate of insurance;
 - Not agree to indemnify any party for anything your club or district cannot or does not control;
 - Have a plan for coverage once the construction project is done (maintenance and ownership).

If your club or district is involved in a smaller construction, repair or rehab project, the Program insurance coverage remains unchanged to your club or district. Continue to provide training for your volunteers, when appropriate. All volunteers should sign waiver and release forms, so that they understand and sign off on the risks associated with the activity. Volunteers should carry their own health and property insurance.

For your construction project remember that **damage to property** (such as equipment, materials, personal property) in the care, custody and control of an Insured is excluded.

• Fireworks

If a Rotary club enters into a contract with a pyrotechnic firm or other company hired to detonate fireworks, your club or district is **required** to:

- Purchase a primary general liability policy with a minimum limit of \$5M per occurrence.
 - Contact an insurance agent or broker to discuss your insurance needs for your event.
- The Program will provide excess insurance over a club or district's primary insurance policy in the case of a catastrophic loss.
 - Contact RI Risk Management Department if your club or district incurs a loss from your event.
- **Send RI Risk Management a Certificate of Insurance evidencing primary coverage is in place for your club or district's event.**
 - **Email to insurance@rotary.org fax to: 847-556-2147**
- The pyrotechnics firm the Rotary club or district is contracting with must have a general liability policy with minimum limits of \$5M per occurrence or the minimum limits required by the city/municipality, whichever amount is greater.
- The Rotary club or district should:
 - Have an attorney review any contracts associated with the pyrotechnic firm;
 - Be named as an additional insured on a primary and non-contributory basis on the pyrotechnic firm's applicable insurance policy(ies) and be provided a certificate of insurance;
 - Not agree to indemnify pyrotechnic firm for anything your club or district cannot or does not control.

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Claims arising out of pyrotechnic events can be very costly. A prior claim arose out of misfired fireworks that injured approximately 100 people resulting in a total claim cost exceeding \$7M. Because the Rotary club was named as an additional insured on the pyrotechnics firm's \$10M policy, the Program and the Rotary club were not impacted by this loss.

This requirement does not apply if your club or district's role is to sponsor or provide funding for the fireworks, and another party, such as a municipality or chamber of commerce, signs the contract with the pyrotechnic firm.

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

- **Events with Attendance Exceeding 25,000**

Rotary clubs and districts that **organize** events exceeding 25,000 attendees over the entire event period are required to:

- Purchase a primary general liability policy (that includes coverage for your event's risks/exposures) with a minimum limit of \$1M per occurrence / \$2M aggregate including liquor liability if applicable to your event.
 - Contact an insurance agent or broker to discuss your insurance needs for your event.
- The Program will provide excess insurance over a club or district's primary insurance policy in the case of a catastrophic loss.
 - Contact RI Risk Management Department if your club or district incurs a loss from your event.
- **Send RI Risk Management a Certificate of Insurance evidencing primary coverage is in place for your club's or district's event.**
 - **Email to insurance@rotary.org fax to: 847-556-2147**
- The Rotary club or district should:
 - Have an attorney review any contracts associated with the event;
 - Require your club or district be named as an additional insured on a primary and non-contributory basis on any vendor's applicable insurance policy(ies) and be provided a certificate of insurance;
 - Not agree to indemnify any vendors or contractors for anything your club or district cannot or does not control.

The number of attendees may sometimes be difficult to ascertain. The insurance underwriters review permit applications, newspaper articles, festival websites, festival budget etc. to estimate the number of attendees and evaluate the event's risk/exposure. Loss history for your club or district is available upon request.

The majority of U.S. clubs and districts do not have multi-day and/or large attendee fund-raising events. These events present a greater exposure to high risks such as:

- Large crowd concentration risks
- Weather-related risks
- Alcohol consumption related risks
- Food consumption related risks
- Vendor and contractual risks

The Program requires primary coverage for large events due to higher risk/exposure and/or past loss history of these events.

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EXCLUSIONS

Some of the notable exclusions listed in the General Liability Insurance Policy are below. For a full list of exclusions review the General Liability Policy on the [Gallagher Insurance Website](#).

If separate insurance is needed, please contact a local insurance professional. Refer to the Loss Prevention Strategies & FAQ links on the [Gallagher Insurance Website](#) for additional information on a particular topic.

- **Communicable Disease Exclusion**
The Program **does not** provide coverage for any injuries, claims, costs or damages arising out of or resulting directly or indirectly, in whole or in part from a communicable disease (including COVID-19).
- **Eldercare Exclusion**
The Program **does not** provide coverage for any claims arising out from the operation of eldercare services performed at an adult day care center/assisted living facility owned, rented or managed by a club. This exclusion does not apply to senior meal services like Meals on Wheels; services provided by Rotarians or volunteers at facilities not owned, rented or managed by a club; or non-professional services for elders provided by Rotarians or volunteers such as assisting with home repairs or deliveries.
- **Childcare Exclusion**
The Program **does not** provide coverage for any claims arising out from the operation of childcare services performed at a licensed childcare facility owned, rented or managed by a club. This exclusion does not apply to occasional babysitting services provided by Rotary members or volunteers outside of a licensed childcare facility.
- **Aircraft Exclusion**
The Program **does not** provide coverage for any claims arising out of the use of aircraft. Aircraft includes, but is not limited to, spacecraft, satellite, **hot air balloon, drone**, or missile. If your Rotary club/district is involved in events with aircraft activities, work with an insurance professional on how to properly protect your club/district from claims and lawsuits that may arise.

If your club or district owns aircraft, separate insurance coverage must be purchased.
- **Crime**
The Program **does not** cover the theft of club/district funds or property. Theft is covered by Crime Insurance, which is also referred to as a Fidelity bond or employee dishonesty coverage. It is up to your club to determine whether to procure a fidelity bond (aka dishonesty bond or crime insurance). If your club/district has a foundation, include crime coverage for the foundation as well as your club/district.
- **Property**
The Program **does not** provide any property coverage. This includes property owned by or in the care custody or control of a club or district, or loss of property due to theft or embezzlement.

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DIRECTORS' & OFFICERS' / EMPLOYMENT PRACTICES LIABILITY POLICY SUMMARY

The U.S. Rotary Clubs and Districts Liability Insurance Program ("Program") provides directors & officers/employment practices liability (D&O/EPL) insurance to active U.S. Rotary clubs and districts. Below is an overview of the D&O/EPL insurance provided by the Program.

Directors & Officers Liability (D&O) insurance provides coverage for claims made against club/district directors and officers that result from their activities, such as managing financial affairs and establishing policies. Please see the definition of D&O Claim on page 9.

Employment Practices Liability (EPL) insurance provides coverage for claims arising out of club/district employment related practices. Please see the definition of Employment Practices Claim on page 9.

Note: Rotary club members are added to the definition of an employee.

INSURANCE QUESTIONS

If you have questions, please contact:

Gallagher Insurance Broker

Phone: (833) 3ROTARY or (833) 376-8279

Email: rotary@ajg.com

Gallagher Insurance Website: <https://rotary.ajg.com>

INSURANCE ASSESSMENT

Annual assessments are charged to all insured U.S. Rotary clubs through the July Club Invoice. Insurance assessments fund PPH National Insurance Co. (PPH Captive) and the cost of commercial insurance premiums. The assessment amounts are prepared annually by an actuary and depend on funding needs of the self-insured retention, the cost of commercial insurance, and premium credit for past claims history.

LIMITS

\$ 25,000	Per claim self-insured retention (PPH captive)*
\$ 2,000,000	Per claim limit (excess of \$25,000)
\$ 20,000,000	Aggregate

*The first \$25,000 of each claim is paid from the assessments collected from U.S. Rotarians through the July Club Invoice. Self-insured retention/deductibles will not be billed to any individuals, Rotary clubs or districts.

COVERAGE TERRITORY

Worldwide, where legally permissible.

INSURED ENTITIES

These active Rotary organizations in the U.S. and its territories and possessions are insured 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

The U.S. Rotary Clubs and Districts Liability Insurance Program provides coverage subject to policy terms and conditions. Nothing in this document shall be construed to extend, alter, vary, or waive any of the provisions of the policies.

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- Certified youth exchange organizations (certified by Rotary International)
- RYLA (Rotary Youth Leadership Awards)
- President-elect training seminar organizations (including multi-district organizations)
- Other Rotary organizations as on file with the Rotary International Risk Manager

Insured persons include any past, present or future director, trustee, advisory board member, officer, governor, or managing member of a management committee of an insured entity, or any employee, volunteer or member of an insured entity.

*Rotary Clubs include Satellite Clubs, E-Clubs, Passport Clubs, Corporate Clubs, Cause-based Clubs and Alumni-based Clubs

**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;
- 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)

INCIDENT REPORTING

Please immediately report all incidents and/or losses to Risk Management. Insurance coverage could 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 [Gallagher Insurance Website](#) 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.

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DEFINITIONS

See the D&O/EPL policies for a complete list of definitions.

D&O Claim

Includes any of the following actions against an Insured for a Wrongful Act:

- A written demand (excluding a subpoena) for monetary, non-monetary, injunctive, or declaratory relief including a request for alternative dispute resolution, extradition, or request to toll or waive a statute of limitations;
- Civil or criminal proceeding commenced by the earlier of (a) the return of service of a complaint or indictment upon an insured; (b) the filing of an indictment or information with respect to an insured; or (c) the arrest or detention of an insured; or
- A formal administrative or regulatory proceeding evidenced by a formal notice of charges or a formal notice of investigation.

Employment Practices Claim

Includes any of the following by or on behalf of an employee (past, present or future worker, volunteer, intern, or independent contractor of an insured entity), applicant or third party, in their capacity as such, against an insured, for a Wrongful Act against an Insured in connection with any actual or alleged:

- Wrongful employment practice which means any employment related:
 - Breach of any written employment contract or agreement;
 - Discrimination;
 - Harassment;
 - Retaliation;
 - Workplace tort;
 - Or wrongful employment decision; or
- Third party wrongful act meaning any discrimination or harassment of a third party committed, attempted, or allegedly committed or attempted by an insured in such capacity.

Insured:

Any insured person or any insured entity.

Insured Persons:

Any past, present or future director, trustee, advisory board member, officer, governor, or managing member of a management committee of an insured entity, or any employee, volunteer or member of an insured entity.

D&O Wrongful Act:

Any error, misstatement, misleading statement, act, omission, neglect, or breach of duty (including personal injury or publisher injury) committed, attempted or allegedly committed, or attempted, by an insured person in his/her capacity as such or an insured entity; or matter claimed against an insured person solely by reason of his/her status as such.

EPL Wrongful Act:

Any wrongful employment practice but only with respect to any employee or any applicant; or any third party wrongful act but only with respect to any third party. A wrongful act includes any actual or alleged conduct that takes place via electronic communication, including social media and internet websites.

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EXCLUSIONS

The D&O coverage part excludes loss in connection with any claim:

- Based upon or arising from **Conduct** meaning the gaining of profit or other advantage to which the insured was not legally entitled; or commission of a deliberate crime, deliberate fraud, or deliberate dishonest act or omission, or willful violation of any law or regulation;
- Based upon or arising from **Prior Notice** meaning any matter, fact, circumstance, or wrongful act that has been the subject of any notice accepted under any not-for-profit directors and officers liability policy;
- Based upon or arising from **Cyber event** meaning any actual or alleged exploit; unauthorized access or use; network impairment; or failure to implement, maintain or comply with federal, state or local law, statute or regulation, or an insured entity's internal written policies and procedures, with respect to protected information;
- Based upon or arising from **Contractual liability** meaning your actual or alleged liability voluntarily undertaken by you in any contract or agreement. Contractual liability does not include liability that would be imposed upon you in the absence of such contract or agreement;
- Based upon or arising from **Professional services** meaning the performance of, or failure to perform, services for others for a fee or other remuneration;
- Based upon or arising from **abuse or molestation** meaning any actual, alleged, attempted, proposed or threatened sexual molestation, abuse, assault, or battery, whether or not intentional, of any natural person;
- For **Bodily injury** meaning any actual or alleged bodily injury, sickness, disease, death, emotional distress or mental anguish of any natural person;
- For **Property damage** meaning any actual or alleged damage to, or destruction of, any tangible property including loss of use or diminution of value; and
- Brought by or on behalf of any insured entity.

The EPL coverage part excludes loss in connection with any claim based upon or arising from:

- **Assumed liability** meaning your voluntary assumption of liability of others undertaken by you in any oral or written contract or agreement, unless such liability would have attached to you in the absence of such contract or agreement;
- **Prior notice** any matter, fact, circumstance, situation, transaction, event or wrongful act that has been the subject of any notice accepted under any employment practices liability policy or comparable policy;
- **Wage and hour** meaning any actual or alleged violation of any United States law which regulates or governs employment wage, pay, or labor requirements or standards (except for the Equal Pay Act);
- **Property damage** or **Bodily injury** except for emotional distress, mental anguish or humiliation when made in connection with an employment practices claim;
- **Worker benefits** meaning any actual or alleged violation of any United States law governing workers' compensation, unemployment insurance, social security, or disability benefits;
- **ERISA**; and
- **Abuse or molestation** meaning any actual, alleged, attempted, proposed or threatened sexual molestation, abuse, assault, or battery, whether or not intentional, of any natural person.

See the D&O/EPL policy for a complete list of exclusions.

Note: Please review the insurance policy posted on [Gallagher Insurance Website](#) for more information about the terms and conditions of coverage.