

**AIS INSURANCE
SPRING, 2006 REPORT
MICHELLE SNYDER - CHAIR PERSON**

Earlier in the year many people voiced their opinions concerning the high cost of insurance for the AIS, particularly the cost of the liability insurance coverage. Questions were asked such as how many affiliates avail themselves of the policy each year; would just covering the AIS at its national convention be the way to go and letting the affiliates fend for themselves; could coverage only be afforded to those clubs that contribute something to the premium; could we just cancel the coverage and “roll the dice”.

In my fall 2005 report, I provided the board with information gleaned from the survey I did of the approximately 183 affiliates. Of the 147 responses I received, approximately 35% said they were required to show proof of insurance. Seven clubs said they carried outside coverage; however, it is now my understanding that most, if not all of these clubs, have dropped their coverage and now rely solely on the AIS insurance policy. I asked if the clubs would be willing to make a contribution toward the insurance policy and I received a definite yes from only 60 of the clubs. At the time of my survey, 51 of the club presidents hadn't discussed the matter with their board and could not give me a response. Another 8 clubs answered maybe and I got a no from 15 clubs because either the club was too small or they felt they didn't need to contribute since they did not use the AIS policy.

I believe that a club thinking they do not need the policy (having to get certificates of insurance) is the greatest misconception held by our affiliates. Even though a club may not be required to show proof of insurance when holding their sale/show or meeting, they are STILL PROTECTED AND SO ARE WE. If a person not affiliated with the club is injured or sustains property damage, I can guarantee that they will seek remedy from both the club and AIS, as the parent organization. “Claimants always go for the deep pockets”.

I spoke to our broker and there is no way they would cover only a certain number of clubs. Since each affiliate is technically a member of AIS we, as the parent organization, would be held vicariously liable for any injury or property damage that occurred at an AIS sanctioned event. Any venue where the club holds its meeting, sale or show, regardless of size, would have a waiver of subrogation in place that basically states their insurance would be secondary in the case of something happening and our insurance would be primary.

I do not believe there is an easy solution to this problem. However, here are a few possibilities for the board to consider:

Each of the 24 regions contributes \$500 annually. How they raise the money would be up the regions. That would bring in \$12,000.

Each club contributes \$100. If we only have 183 affiliates, that would mean \$18,300.

Each club contribute a percentage accordingly to its number of members, such as:

<i>1 – 25 members</i>	<i>\$25.00</i>
<i>25 – 50 members</i>	<i>\$50.00</i>
<i>50 – 75 members</i>	<i>\$100.00</i>
<i>75 members and above</i>	<i>\$125.00</i>

Since I don't know how many members are in each club I cannot give a definite amount as to how much this would bring in.

I am highly opposed to canceling the liability insurance policy and "rolling the dice". Even though no claim has ever been presented against the AIS, it would only take one to seriously impact our ability to continue operations.

Respectfully submitted,

Michelle Snyder
Insurance Chair