

AIS_INSURANCE FALL_2008_REPORT

Everything is working smoothly. Certificates of Insurance continue to be issued rapidly and without any problems. A total of 43 Certificates were issued to those needing to be listed as additional insured's under the AIS policy.

Both the D&O Policy and the Package Policy have renewed without any problems. The premium for the D&O policy remains at \$1,000 for the year. The package premium policy is \$9,897.00 for the year. This is slight savings of \$66.00 from last year's premium.

As respects the Package Policy, the broker has provided us with three possible additions to the coverage's now in place.

- Commercial Umbrella Policy of \$1,000,000 with an additional premium of \$707.00. This would provide additional Liability coverage above the \$2,000,000 we now have in place. Since I have not heard anything from the various clubs that request Certificates of Insurance for events held at various venues as respects the need for additional coverage, I do not believe this is something the AIS needs to undertake. As many of you may recall, we, in fact, had a separate Umbrella policy but cancelled it for the reasons mentioned above.
- Volunteer Accident Policy with an additional premium of \$235.00 with a limit of \$100,000 per occurrence. This coverage is EXCESS over the injured parties own medical insurance. If their personal health plan were 80/20 than the volunteer accident policy would step in and pay the 20% co-pay that they would otherwise be responsible for. If no personal health plan existed than this coverage would be primary.

EXAMPLE: I am volunteering at an AIS sanctioned event and I loose my footing and fall and break my hip. (It does not matter weather I am a member of AIS as long as I am working the event on their behalf) There was no outside cause for my fall, it just happened. Though the AIS would not be legally responsible (no negligent act) for paying my medical bills they feel responsible since I was volunteering at their event and they want to take care of my expenses. The medical bills would be submitted to my personal health carrier as well as the carrier for the volunteer accident policy. Basically, I won't have any out of pocket expenses subject, of course, to the terms and conditions of the policy.

This coverage would also reduce the likelihood of AIS being named in a law suit by the volunteer or their family members.

- Hired and Non-owned Auto Liability coverage with a \$1,000,000 limit and an additional premium of \$211.00. The existing Liability coverage does not provide coverage for anyone using their own vehicle while performing duties on behalf of the AIS. All expenses, including attorney fees, if needed, would be the responsibility of the driver of the vehicle. Hopefully, the individual's own automobile insurance policy would step in on their behalf but it would not protect AIS if it was named in a law suit. In other words, if someone were delivering irises for a show/sale/convention and they were responsible for an automobile accident, with or without injuries, it is likely that the other person(s) involved would not only sue the individual's own automobile insurance but, since the driver was using his/her vehicle for AIS "business", the AIS would most likely be named in any lawsuit. This additional coverage would protect the AIS in such an event.

To recap, our broker has presented the AIS with three possible additional types of coverage. Based on my review, and discussion with the broker, I seriously recommend we consider purchasing the Volunteer Accident Policy as well as the Hired & Non-owned automobile policy. Purchasing these two items would be an increase in the cost of insurance of \$446.00.

Respectfully submitted,

Michelle Snyder
Insurance Chair