

December 2011

MEMO TO: Council Officers
FROM: Greg Rumsey, Director of Finance
SUBJECT: **Certificates of Insurance**

Councils located in the United States, its territories, and Canada may obtain their own annual insurance through our broker, Willis. Through our group buying power, Willis developed an IRA Council Package Policy. The council policy is underwritten by Hanover Insurance and Hartford Insurance Companies in reference to General Liability and will cover the operations of your council, including seminars, meetings and special events, and certificates of insurance.

You should know that IRA Headquarters is acutely aware of the cost dilemma that councils face when considering insurance coverage. We believe our present program offers economical rates.

Changes affecting the insurance industry have significantly influenced the underwriting appetites of virtually all insurance companies. Our broker has researched our choices for providing the IRA Council Package policy. Travelers will continue to represent the Directors and Officers insurance.

A summary of coverage and an enrollment form are enclosed. If you have questions regarding the policy, please feel free to contact Edie Holyfield at Willis of Maryland, Inc., 12505 Park Potomac Ave., Suite 300, Potomac, MD 20854; Telephone (800) 800-2860; Fax (301) 692-4474.

It is very important that councils who already have insurance through Willis **notify them of any changes in the council's leadership status**. We have been advised that there is an ongoing problem with policies being canceled, because correspondence and invoices for the annual premium installments are being sent to the leader who initiated the policy. In most cases, that person is no longer in office. When the invoice is not paid, the policy is canceled, leaving the council unaware that they are without coverage.

IRA COUNCIL OFFICE PACKAGE POLICY

Basic Insurance Coverage

Most state and local chapters of IRA are primarily interested in securing either General Liability Coverage or Fidelity Bonding to cover their financial activities. In order to secure the lowest minimum cost allowed by the major insurance companies, we offer this coverage within a package-type policy of benefits. The minimum premiums for this type of policy are generally \$500 to \$1,500 annually, depending on each state's insurance regulations. Policies may include the following coverage:

Personal Property (includes furniture, computer equipment, files, materials, etc.)	Replacement Cost
Personal Effects & Property of Others.....	\$10,000
Property Away from Premises.....	\$10,000
Valuable Papers & Record Replacement	\$25,000
Business Income Replacement (up to 12 months – no limit).....	Actual Loss
Employee Dishonesty Bond (covers up to 5 Officers).....	\$10,000
Money & Securities (on premises)	\$10,000
(off premises).....	\$5,000

General Liability Coverage

(Includes Liability for Meetings & Conventions)

Bodily Injury, Property Damage, etc.	Aggregate Limit \$2,000,000
Each Occurrence	\$1,000,000
Personal Injury & Advertising.....	\$1,000,000
Premises Medical Payment.....	\$10,000
Fire Damage Legal Liability.....	\$1,000,000
Host Liquor Liability.....	\$1,000,000
Non-Owned & Hired Auto Liability	\$1,000,000

NOTE: If you have a need for higher limits than shown, or require other types of coverage such as a computer policy, umbrella excess liability, building coverage, workers' compensation, convention cancellation, or directors' and officers' liability coverage, we can provide a quotation for your specific circumstances. After the initial coordination of coverage with Edie Holyfield, Willis of Maryland, Inc., 1 (800) 800-2860, all ongoing services, e.g., changes to policy limits, address changes, contact and billing information, should be directed to:

Other Available Common Types of Insurance Coverage

Directors & Officers Liability (D&O)

D&O, sometimes called Non-Profit Organization Liability coverage, is designed to protect the directors and officers from the allegations of negligence for their duties on behalf of the organization. Typically these policies will also provide protection for the organization itself. D&O should be considered as “managerial errors and omissions” coverage, to protect against claims for the decisions involving the administration of the council. For most small councils that do not have any employees, the estimated premium would usually be about \$1,000 for a \$1,000,000 limit of liability.

This coverage should not be confused with policies designed to protect against the professional errors and omissions. Miscellaneous Errors & Omissions is a policy that most councils do not need to consider obtaining. Miscellaneous E&O policies might be designed to cover allegations of negligent teaching.

Convention Cancellation Coverage

Convention Cancellation policies protect the council from losses that might result from the sudden unexpected cancellation of the scheduled meeting or convention. These losses can result from expenses and deposits for the meeting or the loss of “profit” the meeting would have generated. Examples of claims would include the cancellation or rescheduling of a meeting because of a major blizzard and the cost of additional mailings, phone calls, printing new information. There are restrictions for certain types of claims but the policies are fairly broad. The policy is rated on the gross revenue that the meeting is projected to generate. The coverage limit is the maximum of the estimated revenue minus whatever expenses can be recovered.

The September 11th terrorism tragedy had an enormous impact on this coverage and the result is that the policies will not cover most acts of terrorism unless you agree to pay an additional premium. However, before the threat of terrorism, the coverage was still being purchased to protect organizations from all of the other types of losses. The minimum revenue for a meeting is usually going to be over \$50,000 and the premiums are very reasonable for the coverage without the full terrorism coverage. The larger the meeting and the more money in expected profits or expenses the more a council should consider obtaining this policy.

Association Office Package Policy Application for Insurance

Name of Account: _____ Phone No. _____

Mailing Address: _____

Effective Date: _____

Contact Name: _____ Website Address: _____

Direct Billing: Yes No Service Center: Yes No

Building Construction: _____

Building Age: _____ Yrs. Occupied Space: _____ (square feet)

Yearly Membership Dues: _____

Do you publish information for anyone OTHER than your members?

(If yes, please explain):

BASIC COVERAGE PROVIDED:

Personal Property (Furniture, Files, etc.) Replacement Cost: _____

Employee Dishonesty (Up to 5 persons) \$10,000 Other: _____

Additional Persons > 5 _____

General Liability: \$1,000,000 per Occurrence / \$2,000,000 Aggregate Limit

Hired & Non-Owned Auto: \$1,000,000 Liability Limit

List below the Meetings, Conventions and Trade Shows for which a certificate of insurance may be required:

Name of Event	Address	Date and Number Attending
1.		
2.		
3.		

Association Office Package Policy Application for Insurance

If you need additional coverage such as computer insurance, extra liability, or other forms of Property and Casualty coverage, please indicate below:

1. What are the association's goals and objectives (please attach a copy of the association bylaws)?

2. How many members are there? _____ Is chapter liability requested? Yes No

3. Is personal injury coverage requested? Yes No (If yes, please describe all publications, including newsletters and attach a sample of each). _____

Does the association professional liability policy provide PI coverage? Yes No

Please provide the name of the carrier. _____

The limits provided _____

The effective/expiration dates _____ / _____

4. Is publisher's liability coverage provided for either, by a separate policy or is it covered under the association professional liability carrier? _____

Please provide the name of the carrier. _____

The limits provided _____

The effective/expiration dates _____ / _____

Association Office Package Policy Application for Insurance

5. Are there any off-premises activities or special events sponsored by the insured? (i.e., conventions, seminars, fun runs, etc. Yes No If yes, please list. _____

6. Does the insured do any lobbying or is the insured involved in any political activity? Yes No

7. Please describe any of the following exposures that the insured may have: (Are these covered by the association professional liability policy or is there a separate policy provided?)

Accreditation: _____

Certification: _____

Peer Review: _____

Standard Setting: _____

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