



AMERICAN SPECIALTY®

## Annual Club Conference Call

# 2017 League of American Bicyclists Insurance Program

# Who Can Join?

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- **Any non-profit who is a current member of the League of American Bicyclists and whose primary purpose is to promote or organize bicycling activities.**
- **The entity does not need to be incorporated or have tax-exempt status.**
- **Entities who are primarily engaged in mountain-biking activities are not eligible.**

# Program Overview

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- **Base Program:**
  - General Liability
  - Excess Accident Medical
- **Optional Coverages (purchased separately):**
  - Excess Liability Limits
  - Directors & Officers/Employment Practices Liability
  - Non-Owned/Hired Auto Liability
- **Coverage not available:**
  - Workers Compensation
  - Property
  - Owned automobile

# 2016 Participation

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- **Base Program**
  - 491 clubs and 191 advocacy organizations purchased insurance
  - Group purchasing power
- **Optional Coverages**
  - Directors and Officers: 203
  - Non-Owned/Hired Auto Liability: 24
  - Excess Liability: 15
- **LCI's – Covered automatically**
  - LCI's receive General Liability coverage for their individual education activities conducted in accordance with League guidelines

# “Bicycle Clubs” and “Advocacy Organizations”

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- **Bicycle Clubs and Advocacy Organizations receive the same insurance coverage but pay for it differently.**
- **Advocacy Organizations pay a flat premium to join the program that is not impacted by their membership size.**
  - **Advocacy Organizations having 26 or fewer “club rides” annually with average of 50 or fewer riders. If more, the club must enroll as Bicycle Club; or**
  - **Does not conduct any recreational rides other than Special Events.**
- **Bicycle Clubs pay a membership-based premium to join the program (subject to a minimum premium).**
- **All other premiums that apply are calculated the same for Bicycle Clubs and Advocacy Organizations.**
  - **Special event rates are the same for both**

# General Liability (GL)

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- **What is it?**
  - Provides protection from liability claims of bodily injury, property damage, and personal injury
- **Claims examples**
  - **Bodily Injury:**
    - Cyclist struck person walking on trail
    - Cyclist fell due to road conditions
    - Cyclist struck by a vehicle
  - **Property Damage Liability:**
    - Cyclist struck and damaged a vehicle
  - **Sports Equipment Liability:**
    - Bicycle stolen from club's bicycle corral

# General Liability (GL) – *Who does it cover?*

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- **For all covered activities:**
  - League Bicycle Clubs and AO's that have enrolled and paid the appropriate premium (“insured clubs”)
  - Members and volunteers of insured clubs
  - Directors, officers, and employees of insured clubs
- **For covered rides only**
  - First time invited guests (release of liability waiver recommended)

# General Liability (GL)

## *What Activities are Covered?*

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- **Club Rides:** Recreational bicycle rides conducted and supervised by an insured club for which no fee is charged
  - For AO's, only if you indicate you conduct such rides and have fewer than the maximum allowable number of such rides
- **Special Events:** Recreational bicycle rides conducted and supervised by an insured club for which a participation fee is charged
  - Special Events must be reported prior to event and appropriate premium paid following event
- **Bicycle-related activities such as:** Club meetings, fundraisers, time trials, bike education courses (if insured club indicates it organizes education courses), promoting SRTS programs, and bike refurbishment (if refurbishment optional coverage purchased)



# General Liability (GL)

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- **Limits:**
  - **\$1,000,000 each occurrence**
    - **Additional limits available via excess liability policy**
  - **\$5,000,000 General Aggregate (for each insured entity)**
  - **Defense costs in addition to the limit of liability**
  - **\$5,000 sports equipment liability (\$1,500 per claim deductible)**

# General Liability (GL)

## *Important Items to Know*

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- **Release of Liability Waivers are an important method to protect your club**
- **Helmets recommended from an insurance/risk management perspective**
- **Non-Competitive Walking Enhancement**
- **Abuse and Molestation Coverage Enhancement**

# General Liability (GL)

## *Important Items to Know*

### ■ Mountain Biking Activities

- 3 club rides or less = \$100
- More than 3 club rides = individual underwriting
- Helmets and Release of Liability Waivers are required
- Cross country and trail rides only

### ■ Coverage does not apply to:

• Racing	• For-profit tours
• Rentals or bike-share programs	• Commercial bike or repair shops
• Construction or engineering of bike trails	• Year-round bike depot exposures
• Certain alcohol-related losses	• Certain mountain biking activities
• Organizing or supervising a walking/biking school bus	

# General Liability Losses

## *Quick Facts*

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- **Roughly 2 General Liability claims each policy year (small number of claims with potential to be very large)**
- **7-year undeveloped loss ratio is 115%**
- **Bodily injury claims represent the greatest exposure**
  - **High-dollar claims have arisen from:**
    - **Collisions between cyclists**
    - **Collisions between cyclist and pedestrian**
    - **Cyclist(s) struck by a vehicle**
    - **Single bicycle crash**
- **Property damage liability claims occur, but to date have represented relatively small losses**

# Excess Accident Medical

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- **What is it?**
  - **Excess medical coverage for accidental injuries**
  - **Accidental death and dismemberment benefit**

# **Excess Accident Medical –** *Who does it cover and when?*

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- **Members of insured clubs and first-time invited guests during “club rides” and time trials conducted and supervised by an insured club**
  - **For AO’s, only if you indicate you conduct such rides and have fewer than the maximum allowable number of such rides**
- **Registered participants and volunteers during Special Events**
- **All attendees of bicycle education courses organized by an insured club that, upon enrollment, indicates it organizes bicycle education courses that include an on-bicycle component**

# Excess Accident Medical

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- **Accident Medical Limit:**
  - \$10,000 per person per accident
  - Excess of \$500 “disappearing” deductible
  - Excess of other valid and collectible insurance
- **Accidental Death and Dismemberment Benefit**
  - \$5,000 per-person/per-accident

# **Excess Accident Medical Losses**

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- **Injuries range from minor injuries to catastrophic**
- **On average, 94% of claimants have other insurance**
- **Around 125 claims per year in recent years with average payment of \$1,700 per claim**
- **Around a 90% loss ratio**



# Purchasing GL and PA Coverage

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- **Purchase on-line ([www.amerspec.com/lab](http://www.amerspec.com/lab))**
  - Register Special Events on-line and request special event certificates on-line
- **Premium for coverage other than Special Event coverage paid for at time of enrollment**
- **Special Event premium based on number of participants and paid after event (Note: Bicycle Clubs should not include existing members in participation figures)**
- **Coverage begins at time of payment (Feb. 1, 2017 or after) and ends Feb. 1, 2018**
  - Discounts apply after August 2017 but full minimum premium applies
  - Current insured clubs renewing coverage by 2/15/17 will not experience a lapse in coverage

# 2017 Program Cost

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- **Bicycle Clubs**

- **Club Activities (per member)**

- **0 to 1,000: \$4.16**

- **1,001 to 2,000: \$3.74**

- **Over 2,000: \$3.29**

- **Minimum Premium: \$208 per club**

- ***Number of club members at the “peak” of your club activities***

- **Advocacy Organizations**

- **No club or social rides: \$130**

- **No PA coverage applicable**

- **Conducts club or social rides: \$215**

- **Maximum of 26 or fewer rides with less than 50 average riders in each ride or the entity must enroll as a Bicycle Club**

# 2017 Program Cost Cont'd

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- **If rent, lease, or own year-round office: \$108**
  
- **If organize bicycle education courses**  
(flat premium, regardless of number)
  - **Use ONLY LCI's as instructors**
    - **Classroom only: \$68**
    - **Classroom and On-Bike Instruction: \$196**
  - **May use non-LCI's as instructors**
    - **Classroom only: \$91**
    - **Classroom and On-Bike Instruction: \$261**
  
- **Bicycle Refurbishment (optional): \$131**
  
- **Mountain Biking (up to 3 cross country/trail rides): \$100**

# 2017 Program Cost Cont'd

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- **Special Event (per participant)**
  - **0 to 1,000: \$4.54**
  - **1,001 to 2,000: \$3.55**
  - **Over 2,000: \$2.68**
  - **Minimum Premiums: \$233 per special event**
    - **Note: Bicycle Clubs do not count members when reporting special event participation (AO's do)**

# Rate Change Summary

Insured Category	Rate	Change	Min. Premium	Change
Club Rates	\$4.16	\$0.63 per member	\$208	\$34
Advocacy Organizations (with rides)	\$215	\$26	N/A	N/A
Advocacy Organizations (no rides)	\$130	\$17	N/A	N/A
Special Events	\$4.54	\$0.71 per rider (not including club members)	\$233	\$42
Annual Admin Fee	\$40	\$40	N/A	N/A

Note: Rate comparison is based on first 1,000 members/riders and does not contemplate volume discounts

# Non-Owned/Hired Auto Liability

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- **What is it?**
  - **Coverage for liability arising out of non-owned or hired autos your club uses during the course of your covered activities (note: does not apply to vehicles owned by the club)**
- **Who does it cover and when?**
  - **Insured Club**
  - **Anyone using, with the club's permission, an auto the club hires or borrows except the owner of the auto or anyone else from whom you hire or borrow the auto**
- **Limits: \$1,000,000**
- **Requirements: Separate application; verification of club driving policies**
- **Premium: Subject to underwriting**

# Directors & Officers Liability

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- **What is it?**
  - Coverage for wrongful acts (discrimination, wrongful termination, mismanagement of funds, negligence in decision-making)
- **Who does it cover?**
  - Insured Club
  - Board of Directors
  - Volunteers
- **Limits: \$1,000,000 or \$2,000,000 options**
- **Retention: \$500 for D&O; \$1,000 for Employment Practices**

# Purchasing D&O Coverage

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- Available on-line at [www.amerspec.com/lab](http://www.amerspec.com/lab)
- Coverage begins the day after coverage is purchased through 2/1/2018
- Premium is pro-rated for policies purchased after 2/1/2017
- Premium:
  - \$550 for \$1,000,000 limit (plus \$25 fee)
  - \$850 for \$2,000,000 limit (plus \$25 fee)



# LCI and Seminar Coaches Coverage

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- **General Liability coverage applies during Smart Cycling seminars and classes conducted in accordance with League procedures**
- **Coverage applies automatically**
- **Proof of insurance can be requested from American Specialty**

# Contact Information

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## Rene Waterson

- 260-969-5392 (direct)
- 800-245-2744 (toll-free)
- [rwatson@amerspec.com](mailto:rwatson@amerspec.com)

## Kristee Emshwiller

- 260-755-7266 (direct)
- 800-245-2744 (toll-free)
- [Kemshwiller@amerspec.com](mailto:Kemshwiller@amerspec.com)

## Jina Doyle

- 260-969-5352 (direct)
- 800-245-2744 (toll-free)
- [jdoyle@amerspec.com](mailto:jdoyle@amerspec.com)