



AMERICAN SPECIALTY®

Annual Club Conference Call

2018 League of American Bicyclists Insurance Program



Why the LAB Club Insurance Program?

- Specialized insurance program to meet the unique needs of a Bicycle Club
- Experienced claims specialist with over 25 years working with the LAB and its Clubs
- Customized insurance purchasing platform with access to American Specialty's team if the online platform is not your preference
- Group Purchasing Power
- Consistency in Coverage



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Who is Eligible for Coverage?

- 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.



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Program Overview

- Base Program:
 - General Liability
 - Excess Accident Medical
- Optional Coverages (purchased separately):
 - Excess Liability Limits
 - Directors & Officers/Employment Practices Liability
 - Non-Owned/Hired Automobile Liability
 - Property (limited)
- Coverage not Available:
 - Workers Compensation
 - Owned Automobile
- LCI's automatically receive General Liability coverage for their individual education activities conducted in accordance with League guidelines





“Bicycle Clubs” and “Advocacy Organizations”

- 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 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)

- 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?*

- 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?

- 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)

- 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

- Release of Liability Waivers are an important method to protect your club
- Helmets recommended from an insurance/risk management perspective
- Non-Competitive Walking Component
 - In conjunction with a Club ride
- Abuse and Molestation Component





General Liability (GL)

Important Items to Know

- Mountain Biking Activities
 - 52 club rides or less = \$110
 - Helmets and Release of Liability Waivers are required for mountain biking activities
 - Mountain biking may not represent more than 1/3 of the Club's annual activities
 - Cross country and trail rides only (riding bicycles off-road over rough terrain, using mountain bikes, including cross country and trail riding). These rides are for club members only and should not include tricks or timing.
 - If aforementioned criteria is not met, coverage is subject to individual underwriting
- 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 exposures
 - Organizing or supervising a walking/biking school bus





General Liability Losses

Quick Facts

- Low Frequency; High Severity Trend
 - Roughly 2 General Liability claims each policy year (small number of claims, but very large losses)
- 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 a relatively small percentage of overall losses



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Excess Accident Medical

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





Excess Accident Medical – Who does it Cover and When?

- 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

- 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

- 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



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Purchasing GL and PA Coverage

- Purchase online (www.americanspecialty.com/lab)
- 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)
 - Register Special Events online
- Coverage begins at time of payment (Feb. 1, 2018 or after) and ends Feb. 1, 2019
 - Discounts apply after August 2018 but full minimum premium applies
- Secure Certificates of Insurance for Special Events online





2018 Program Cost Club Operations/Activities

- Bicycle Clubs
 - Club Activities (per member)
 - 0 to 1,000: \$4.63
 - 1,001 to 2,000: \$4.14
 - Over 2,000: \$3.64
 - Minimum Premium: \$231 per club
 - Number of club members = “Peak” of your club activities
- Advocacy Organizations
 - No club or social rides: \$143
 - No PA coverage provided
 - Conducts club or social rides: \$238
 - Maximum of 26 or fewer rides with less than 50 average riders in each ride or the entity must enroll as a Bicycle Club





2018 Program Cost

Club Operations/Activities

• Optional Coverages

- Rent, lease, or own year-round office: \$119
- Education Courses
 - Use ONLY LCI's as instructors
 - Classroom only: \$75
 - Classroom and On-Bike Instruction: \$217
 - Non-LCI's as instructors
 - Classroom only: \$100
 - Classroom and On-Bike Instruction: \$289
- Bicycle Refurbishment: \$144
- Mountain Biking (subject to criteria): \$110





2018 Program Cost Cont'd

- Special Event (per participant)
 - 0 to 1,000: \$5.04
 - 1,001 to 2,000: \$3.95
 - Over 2,000: \$2.98
 - Minimum Premiums: \$258 per special event

Note: Bicycle Clubs do not count members when reporting special event participation (AO's do)



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Optional Coverages

Rate Change Summary

Insured Category	Rate	Change	Min. Premium	Change
Club Rates	\$4.63	\$0.47 per member	\$31	\$23
Advocacy Organizations (with rides)	\$238	\$23	N/A	N/A
Advocacy Organizations (no rides)	\$143	\$13	N/A	N/A
Special Events	\$5.04	\$0.50 per rider (not including club members)	\$258	\$25
Annual Admin Fee	\$35	\$0	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

- 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

- What is it?
 - General Liability –vs- Directors & Officers Liability
 - 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

- Available on-line at www.americanspecialty.com/lab
- Coverage begins the day coverage is purchased (2/1/2018 or after) through 2/1/2019
- Premium is pro-rated for policies purchased after 2/1/2018
- Premium:
 - \$550 for \$1,000,000 limit (plus \$25 purchasing group fee)
 - \$850 for \$2,000,000 limit (plus \$25 purchasing group fee)





LCI and Seminar Coaches Coverage

- 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



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