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

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.
Contact Information

Rene Waterson
• 260-969-5392 (direct)
• 800-245-2744 (toll-free)
• rwaterson@americanspecialty.com

Kristee Emshwiller
• 260-755-7266 (direct)
• 800-245-2744 (toll-free)
• Kemshwiller@americanspecialty.com

Jina Doyle
• 260-969-5352 (direct)
• 800-245-2744 (toll-free)
• jdoyle@americanspecialty.com