Annual Club Conference Call

2017 League of American Bicyclists Insurance Program
Who Can Join?

- 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 Auto Liability

- **Coverage not available:**
  - Workers Compensation
  - Property
  - Owned automobile
2016 Participation

- **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”

- 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 an 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 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:**

<table>
<thead>
<tr>
<th>Racing</th>
<th>For-profit tours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rentals or bike-share programs</td>
<td>Commercial bike or repair shops</td>
</tr>
<tr>
<td>Construction or engineering of bike trails</td>
<td>Year-round bike depot exposures</td>
</tr>
<tr>
<td>Certain alcohol-related losses</td>
<td>Certain mountain biking activities</td>
</tr>
<tr>
<td>Organizing or supervising a walking/biking school bus</td>
<td></td>
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</tbody>
</table>
General Liability Losses

Quick Facts

- 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

- 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
- Around a 90% loss ratio
Purchasing GL and PA Coverage

- 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

- **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
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

- 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)
<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>$4.16</td>
<td>$0.63 per member</td>
<td>$208</td>
<td>$34</td>
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<tr>
<td>Advocacy Organizations (with rides)</td>
<td>$215</td>
<td>$26</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Advocacy Organizations (no rides)</td>
<td>$130</td>
<td>$17</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>Special Events</td>
<td>$4.54</td>
<td>$0.71 per rider (not including club members)</td>
<td>$233</td>
<td>$42</td>
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<tr>
<td>Annual Admin Fee</td>
<td>$40</td>
<td>$40</td>
<td>N/A</td>
<td>N/A</td>
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</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?
  • 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.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

- 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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