

Rotary Insurance for Directors and Officers

Many Rotary leaders, past, present, and future have questioned our new mandatory policy on directors and officers liability insurance.

Effective 1 January 2010, directors & officers/employment practices liability (D&O/EPL) insurance has been added to the existing liability insurance Program. Please see the D&O/EPL [insurance summary](#) for more details.

Here are some answers to questions that have been raised by leaders in Zones 25 and 26 with answers from RI's risk manager, Jodi Steel

Is the annual liability aggregate of \$15 Million sufficient for U.S. Rotary clubs and districts? Should we continue to carry an umbrella?

We have established coverage limits (\$2 million per claim/\$15 million aggregate) with the assistance of insurance professionals with the expectation that the policy limits will adequately cover all U.S. clubs and districts. When determining policy limits, we took into account the collective loss history of U.S. Rotary clubs and districts. The \$15 million in aggregate coverage includes \$10 million in primary coverage provided by Zurich and an additional \$5 million in umbrella coverage provided by Crum & Forster. We do encourage all clubs and districts to compare the new coverage to their existing or past coverage to make sure the new coverage adequately meets the particular needs of their club/district.



Many feel their insurance gives better coverage at less cost. What is RI's experience on this?

We have not found this to be the case for the vast majority. The cost for the new coverage is \$1.15 per "dues paying member" which is paid at the club-level for the entire 1 January 2010 - 2011 policy period. We worked extensively to provide U.S. Rotary clubs and districts with coverage comparable to what is offered in the insurance market. Lastly, at no additional cost, club foundations, Rotaract clubs, Interact clubs, districts, district foundations, youth exchange organizations, and president-elect training organizations, are also insured under our Program.

Can districts opt out of paying for this and stay with their own coverage?

There is no opting out of the new coverage, but as stated above, districts are not charged for this new coverage. The mandatory nature of the directors & officers/employment practices liability (D&O/EPL) insurance was necessary to make the addition of this coverage financially viable for all U.S. Rotary clubs and districts.



Do districts need a tail on coverage they're leaving because of this new plan?

Our D&O/EPL policy does not have a "prior acts date" limitation for those clubs/districts with existing D&O/EPL policies, so any claim "unknown" to a club or district prior to the 1 Jan 2010 effective date would be covered. Claims that are "known" to an Insured prior to 1 Jan 2010 are not covered, which is a standard for any insurer

The final word on this is the cost for D&O/EPL coverage is \$1.15 per member, paid at the club-level, which covers the entire 1 January 2010 – 2011 policy period. Districts are not charged an additional premium. Please visit Insurance Information Portal for a copy of the insurance policies and other information at: www.locktonportal.com/sites/rotary/resources

Note: This portal is for U.S. Rotary club/district use only.

If you have further questions or need clarification, please contact RI Risk Management Dept at insurance@rotary.org.