

**RESEARCH & LONG RANGE PLANNING COMMITTEE
COMMITTEE CHAIR PDG TIM BLACKBURN**

**LIONS CLUBS INSURANCE SURVEY RESULTS
CREATES CONCERN FOR MULTIPLE DISTRICT "A" GOVERNORS COUNCIL**

Insurance Survey Conducted

The results of a survey on Lions Clubs Insurance by the Multiple District "A" Research & Long Range Planning Committee has resulted in a directive from the Governors Council to issue an article dealing with the need for Lions Clubs to ensure they carry insurance.

Survey Results

Based on the results from the survey questionnaires returned a recommendation was accepted to develop an Article for publication.

Clubs not Incorporated

An on-going challenge is the recommendation that every Lions Club become incorporated. This protects the individual Lions Club members in the event of any form of legal action from endangering their personal assets. It is recommended that every Lions club ensure that is incorporated.

Commentary

The Governors' Council's only concern is the fact that Lions Clubs should carry insurance to protect their Club and more importantly individual members. The Governors' Council and Multiple District "A" does not recommend or endorse any one insurance programme as each Club is independent in action and have different activity that impacts their need for protection and premium costs.

Why is there a need for Lions Clubs to carry their own insurance?

Lions Clubs International carries a worldwide liability insurance policy that provides a measure of protection for certain Lions Clubs activities. While this may afford a small measure of protection, it is not designed to provide full coverage for all Lions Clubs activities.

The need for each club to carry insurance coverage is recommended to ensure that all the club activities are covered including the all-important Liquor Liability.

Carrying insurance locally with proper limits and scope of coverage is a critical requirement. It must be remembered that insurance may also be needed on club property of all kinds, crime (hold-up), fidelity bonding as well as Liability Insurance.

SOME STARTLING SURVEY RESULTS

CLUBS THAT DO NOT CARRY SEPARATE INSURANCE REPRESENTS SOME 29.5% OF ALL CLUBS IN MULTIPLE DISTRICT "A"

This is a startling statistic. As explained above relying solely on the "International" insurance policy is not a prudent decision for a number of valid reasons.

Lions Clubs who carry insurance with one of the two "programmes" available make up 43% of the Lions Clubs.

Lions Clubs who carry insurance in a variety of Insurance Companies or with a variety of Insurance Brokers make up 27.5% of the Lions Clubs.

Lions Clubs who carry "no insurance" relying solely on the "International" insurance makes up 29.5% of the Lions Clubs.

The critical component of these results is the fact that almost 30% of Lions Clubs are NOT effectively covered by insurance for a variety of reasons.

Where to secure this insurance.

As indicated above Multiple District "A" does not recommend where clubs can secure their insurance. The evidence provided from the surveys submitted indicates that some 70% of the clubs carry some form of insurance. The concern is for the clubs who do not.

Following the review of the survey information submitted and some additional research it became clear that there are two specific programmes being used by clubs. They are:

Barber Stewart McVittie & Wallace, Willowdale, Ontario

Some 13.4 % of Lions Clubs carry the "Liquor Liability" Insurance with this firm. Mr. Scott Reid is the contact at this brokerage – 416-493-0050. They also provide other coverage upon specific request.

Darling Insurance & Realty – Peterborough, Ontario

Some 29.5% of Lions Clubs participate in the programmes offered by this facility. This brokerage offers Directors & Officers Liability Insurance as well as a package of insurance that can include Lions Club property, crime (hold-up), fidelity and General Liability insurance which includes Liquor Liability. The contact at this brokerage is Lisa Commodore – 1 –800-387-1627.

Other Options

Some 27.5% of Lions Clubs have indicated that they carry their insurance through a variety of Insurance Companies and brokerages. In many cases there is a member broker in a club who arranges coverage or a broker in a community that the club uses.

Insurance is a necessity.

While some 70% of Lions Clubs carry some form of Liability insurance it is critical that those that do not seriously take action without delay.

In every community there are Insurers and/or Brokers who can provide professional advice on Lions Clubs insurance. Further, it is important that any insurance secured must include the activity of Lioness and Leo Club activities.

The Multiple District Office and District Officers are not in a position to attempt to review or advise clubs on insurance. Only professional insurance facilities should be used.

The "Liquor Liability" challenge.

It is mistaken to think that the liquor liability risk only comes with the sale of alcoholic beverages. In fact, any time club members are involved in alcohol consumption there is a liability exposure. For example, a group of Lions go on an outing and someone brings along a case of beer for private consumption. The fact this is part of a lions club outing or programme creates a liability responsibility. While no sale of alcohol has transpired there is just as much risk under those circumstances.

Clubs who meet in restaurants and buy drinks still have a liability risk. Another example is a lion buys a drink for an invited guest or potential member creates a level of responsibility.

The challenge, of course, is not whether a claim would result, but, rather, the need for the expense to defend any action that may be taken against the Club and/or any of it's members. Lawyers are very expensive and law suites are also time consuming and bothersome. This insurance provides the protection and defense costs.

Conclusion

The many and varied Lions Club activities and programmes exposes the club and it's membership to many risks with potential claim situations. The recommendation is simple. Take the time to review your insurance with a professional. Communicate with the two brokerages that offer special programmes or contact a local insurance provider – compare and make sure you have the coverage your club needs.

Because of the variety of club activity it is impossible for the Multiple District to organize a plan of insurance or excess insurance. The role of the Multiple District as well as the District Officers is to communicate the need for insurance for all clubs.