

Liability Insurance for USPS, its Districts and Squadrons
4 December 2008

FINAL

Effective July 1, 2008 the United States Power Squadron (USPS) has a new insurance program, underwritten by the Chubb Group of Insurance Companies, that covers the national, district and squadron organizations and USPS members and volunteers. The new program adds several entirely new policies to improve protection for the entire organization.

Please review the following coverage summary carefully. It is important to understand that our insurance program is designed to protect USPS and its members when they are serving the organization for educational and civic purposes. Nevertheless, some fraternal activities or aspects of USPS are covered events, but detailing those coverages and their exceptions is beyond the scope of this summary. The complete package of USPS insurance policies is about 4 inches thick. If you have questions please contact your squadron or district law officer, the national Law Committee, or our insurance broker, Gowrie Barden & Brett

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The liability policies that affect the entire organization are as follows:

General Liability
Liquor Liability
Marine General Liability (new)
Marina Operators Legal Liability
Hull/Protection and Indemnity (new)
Directors and Officers Liability
Umbrella and Bumbershoot policies
Media Liability (new)
Professional Liability (new)

The Commercial General Liability policy will defend and pay on behalf of the USPS (and/or the member if named personally in the lawsuit) for claims they become legally obligated to pay for bodily injury or property damage caused by the member performing duties for USPS anywhere in the world while on land. "Bodily injury means physical injury, sickness or disease sustained by a person, including resulting death, humiliation,

mental anguish, mental injury or shock at any time. All such loss shall be deemed to occur at the time of the physical injury, sickness or disease that caused it.” The cost to defend the lawsuits is included. This policy has a \$1,000,000 limit per occurrence.

Additionally, this policy provides medical payments to any person injured while participating a USPS sanctioned event. The limit of this protection is \$10,000 per person per incident. Lastly, there is no deductible for any claim filed under this policy.

The Liquor Liability policy provides protection for the USPS sponsored event where liquor may be served. The limit of this policy is also \$1,000,000 per each occurrence and aggregate limit. It is important to remember that there is an exclusion in this policy for knowingly serving alcohol to a minor. Like the general liability policy this policy carries no deductible.

Marine General Liability policy is similar to the general liability policy providing the organization and its members and volunteers protection for bodily injury and property damage claims on docks, piers and wharves. Like the general liability policy this policy has a \$1,000,000 per occurrence limit, a \$2,000,000 aggregate and no deductible.

Marina Operators Legal Liability policy provides protection for the organization and its members for the care, custody and control of boats owned by others. This insurance responds to damage to boats for which USPS becomes legally liable. This policy does carry a deductible of \$1,000.

The Protection and Indemnity policy (on-the-water liability coverage) pays for sums USPS (and/or the member if named personally in the lawsuit) becomes legally obligated to pay for bodily injury or property damage caused by the operation of a boat up to 85 feet. It also includes primary hull insurance up to the agreed value of the boat (as stated in its own yacht insurance policy). This would include boats owned, chartered, or borrowed by USPS. The P&I policy also carries a \$1,000,000 limit per occurrence and applies anywhere in the world. This policy also carries a deductible of \$250.

Directors and Officers Liability/Employment Practice Liability policy is a combination policy that provides protection for alleged wrongful acts on the part of any director or group of directors for USPS management decisions. The employment practice liability shares the limit of liability with the Directors and Officers liability policy. While the directors and officers is eligible for excess coverage of the umbrella the employment practice liability policy is not eligible for excess protection beyond the \$1,000,000 limit.

This policy also protects the USPS and its member from lawsuits “arising from alleged libel, slander, defamation of character, false arrest, and wrongful eviction.” Included are claims from “discrimination, harassment or segregation based on a person’s age, color, national origin, race religion or sex.” It is important to note, however, that there is no coverage if the personal injury is either “expected or intended.”

The Umbrella and Bumpershoot Policies work in combination with the underlying policies above to provide substantial excess coverage in all liability areas except employment practices and media liability.

The Media Liability Policy is a new policy designed to protect all levels of USPS for any suits brought for alleged misuse, reproduction of information without prior consent and plagiarism. This new insurance applies to the website, magazine, newsletters and course materials published or produced by national, district or squadrons. It also includes protection for books sold by USPS. There is a \$1 million limit on this policy and it is not eligible for excess insurance protection.

The Professional Liability policy is a new policy designed to protect instructors of the USPS from suits brought from students of the various courses presented by USPS for alleged incorrect information provided in the educational courses conducted by USPS at all levels. The policy also protects instructors of the Boating Certification program and volunteers participating in the Cooperative Charting activities and the Vessel Safety Checks. The policy has a \$1 million limit of liability but carries a \$50,000 deductible.

In some cases there may be exceptions to protection for USPS members, as seen in the following examples:

1. The district or squadron may have their own insurance. In this case the USPS insurance is excess over that organization's local insurance.
2. If a USPS member is conducting a certification lesson or exam, or is charting a body of water for a government department, the USPS insurance is primary.
3. If a district or Squadron is conducting a cruise for the fraternal benefit of its members and there is an accident that leads to a claim then the individual member involved in the accident and his/her personal yacht policy must respond. If the district or squadron is added to that lawsuit the USPS insurance would become excess over that yacht policy and would defend the USPS.

Final Note: The USPS Insurance Program underwritten by the Chubb Group of Insurance Companies and assembled by Gowrie, Barden & Brett provides greatly improved coverage for USPS and its members at all levels of the organization. The preceding summary of coverage is an excellent guide, but it is not a substitute for the 4" thick package of text that comprises our actual policies. We know there will be questions. Please feel free to ask them!