

FAQ

2010

League of American Bicyclists INSURANCE PROGRAM



The following summary has been prepared by the League of American Bicyclists, in conjunction with its insurance administrator, to provide answers to questions we frequently receive from clubs relative to the League's insurance program. We have tried to provide explanations that are easy-to-understand for people who are not in the insurance business. It is important to note, however, that this document does not guarantee coverage for any claims under the League's insurance program, and does not alter coverage provided by the actual insurance policies. Only the insurance policy itself shall be used to determine whether coverage applies for a particular claim. If you are an insured club and are interested in receiving a complete copy of the insurance policy, contact the League at 202-822-1333.

Q: Can I purchase this insurance if I am not affiliated with the League?

No, only League registered clubs and advocacy organizations have the opportunity to purchase this insurance.

Q: How do I insure my club?

After your club is registered with the League, purchase coverage online at www.amerspec.com/lab. Or, if you prefer, complete the enrollment form contained in this brochure and return it to American Specialty along with the appropriate premium.

Q: How do I insure my special event?

A League club must complete the Club packet and provide an estimation of the number of participants and return it to American Specialty. American Specialty will mail a Premium Submission form at the time the addendum is issued. This Premium Submission form is to be completed after the event and should reflect the actual number of participants for premium calculation. This too can be done online.

Q: How long does it typically take for a certificate of insurance to be issued?

All certificates are issued within 72 hours of the request, and in the majority of cases, can be issued on a same-day basis.

Q. Is my club properly insured against liability claims for normal club activities?

League affiliated clubs are eligible to buy insurance protection against general liability claims that may be made against them by people injured as a result of a regular club activity — such as a ride. So, if a club member on a regularly scheduled club ride collides with a pedestrian and both are injured, both may choose to sue the club alleging the club was negligent in its responsibilities and therefore contributed to the injury. The club is insured for bodily injury claims, and the policy covers defense costs (to pay an attorney to defend you) and damages (if the court finds the club to be liable for all or part of the loss suffered by the injured people) for covered claims. The club's position will be strengthened if the member who brings a lawsuit has signed a waiver agreeing not to sue the club. The League's recommended waiver can be accessed at www.amerspec.com/lab.

The program also offers participant accident insurance for club members if they are injured while participating in regularly scheduled club rides and events. This is essentially secondary medical insurance — so if the club member mentioned above is injured and they have no primary medical insurance they may file a claim to cover the medical costs of the injury up to a \$10,000 limit (claims are reported to American Specialty, the League's insurance administrator). A person who has primary medical insurance can also file a claim, but the League's coverage will apply only to bills that are not covered by primary insurance (such as a co-pay). The pedestrian, who is not a member of the club, may not make such a claim.

Q. For special events?

If your club organizes a ride that is open to non-members and there's an entrance fee for the ride, this is considered a special event. An example would be your big century ride or fundraising ride for the local Kiwanis club. In this instance, the club would need to purchase the same two types of insurance protection — that is, both general liability and participant accident — for that specific event. If two riders collide and are injured, one a member of your club and one not, both have

the same opportunity to seek reimbursement of medical expenses if their primary coverage is insufficient or non-existent. If either or both of the riders decide to sue the club because they feel the route planning or warnings were insufficient, the club is protected against both.

As before, the club's position will be enormously strengthened against both riders if they have signed a waiver - you would want to get a "waiver and release of liability" signed by every one of the participants, even if they are already a club member and signed a waiver when they joined the club or renewed their membership. The League's recommended waiver can be accessed at www.amerspec.com/lab.

A non-member is given participant accident coverage for one ride only (the first ride in which they participate as a non-member).

Q. Some of our volunteer Ride Leaders are worried about their insurance coverage — should they be?

No. First of all, for regularly scheduled club rides they are covered for any injuries they themselves may sustain while on the ride as part of the participant accident policy. Secondly, assuming that the ride leader is a member of the club, they are protected by the general liability coverage of the club, should a claim be made against them or the club.

Q. What coverage do we need for an event or series of rides that is open to the public but we don't charge a fee for participation?

If the club has purchased insurance for club activities, members participating in scheduled activities are protected by the participant accident coverage and the club is protected by the general liability insurance. Non-members on the ride will be covered by the participant accident coverage provided it is their first ride with the club — otherwise they wouldn't be. However, a new optional coverage is available that enables you to purchase coverage for those who are not members or first-time guests. For more information about this coverage, contact American Specialty at 1-800-245-2744.



If you have any questions concerning the League of American Bicyclists insurance program, please contact American Specialty:

Phone: 800-245-2744 www.amerspec.com/lab

Q. Who needs to sign a waiver and when?
Club members need to sign a waiver and release of liability form once each year — most likely when they renew or join. They don't need to sign one each time they go on a club ride. Non-members should sign a waiver each time they ride with you. For special events, every participant — whether they are members of the club or not — should sign a waiver.

Q. Why is a waiver so important?

Primarily, the waiver says that the person agrees to release the club from liability should anything happen on the ride to cause them harm or loss. They may still sue the club if something happens, but the chances are good that a court or judge will refuse to hear the case because of the presence of the signed waiver! Or, even if the court does hear the case, the waiver could be used to show the individual was aware of, and had accepted, potential risks involved with cycling.

Q. Does the waiver have any impact on the participant accident coverage?

No. If a club member on a regular ride, or a participant in a special event, is injured, their coverage under the participant accident policy is unaffected by the presence of a signed waiver. The waiver only impacts general liability claims.

Q. Is anything other than a personally signed waiver valid?

Your best policy remains to get a signed waiver either faxed to you or handed to you in person. The validity of electronically signed waivers (pasting in your digital signature into the waiver form) hasn't been tested in court yet, but in other areas of the law an "electronic signature" is a formalized process involving encryption software to link the person to their signature ... and it might just be easier for you to get folks to sign a form at the start of your ride, or fax it in ahead of time!

Q. Is there particular wording that should be included in the waiver?

The League strongly recommends clubs utilize the standard waiver documents provided at www.amerspec.com/lab. These waivers include wording that it is most likely to be upheld in court in most jurisdictions. If you are able to seek the opinion of an attorney (for example, if one is on your Board), it is also a good idea to have the document reviewed to see if there are any state-specific requirements they would recommend.

Q. I'm on the board of my Club ... should we have Directors and Officers Liability insurance as well as general liability coverage?

All clubs should consider purchasing Directors and Officers Liability coverage, and Board members should have the opportunity to make the final determination of whether they want to purchase the coverage. Directors and Officers coverage is designed to protect

the club and individual board members from claims that they have committed a wrongful act, error, or omission (e.g. how club funds are used, or employment decisions). So, the League recommends each club make a conscious decision with its Board whether to purchase this coverage.

Q. What do I do if something happens on a ride?

If there's any kind of incident on one of your insured rides that might result in a claim — even if that doesn't end up happening — you should report it to American Specialty as soon as possible after the ride. There's a detailed incident reporting form at www.amerspec.com/lab that will guide you through the information you'll need to provide.

Q. Our club wants to offer more education classes to non-members — how do we ensure coverage for the club, instructors and participants?

If you use LCIs, the instructors are covered by the liability policy as described above. If the club wants to extend participant accident coverage to people taking the class who are not club members and who are paying a fee for the class, along with the LCIs, the club can purchase special event coverage (this would also add coverage for the club for losses arising out of the class). If no fee is involved, the club's liability coverage will apply without purchasing special event coverage, but the club may wish to purchase coverage for the non-member participants using the optional Participant Accident coverage now available. For more information, contact American Specialty at 1-800-245-2744.

Smart Cycling Insurance

The League of American Bicyclists is pleased to provide you with information on the insurance protection afforded to participants in the League of American Bicyclists Smart Cycling Program. This summary is designed to answer questions regional trainers and instructors may have about the insurance benefits provided by the League.

Q. Do Seminar Coaches and instructors have coverage under the League of American Bicyclists Smart Cycling Insurance Program? Yes.

The policy limit is \$1,000,000 per occurrence with a \$3,000,000 general aggregate for each seminar/class. Costs to defend claims are paid in addition to the limit. Coverage is provided on behalf of an admitted carrier which is rated "A" (Excellent) with a financial size category of "XV" by A.M. Best.

Q. For what activities are the Seminar Coaches and instructors covered?

Both Seminar Coaches and instructors are covered any time they are acting in the capacity of a League Cycling Instructor (LCI) or Seminar Coach during Smart Cycling seminars and classes conducted in accordance with League procedures.

Q. What kinds of claims does the policy cover?

The most important coverages are provided with respect to the exposures of Seminar Coach and instructors are Bodily Injury and Property Damage coverage. If a student is injured during class or while bicycling after completing the course and brings a suit against an instructor or Seminar Coach as a result, the policy can respond. In addition, the policy can respond if a claim is made against the Seminar Coach or instructor for damage to property. This coverage does not apply to property that is in the care, custody, or control of the instructor, but it could apply to property of a third party over which the Seminar Coach or instructor did not have direct control. In addition to providing coverage for damages the insured may be legally obligated to pay, the policy provides coverage for defending the insureds.

Q. Does the policy cover an LCI or other participants for medical expenses?

No. This policy provides liability coverage to the LCI, and does not cover medical expenses incurred either by the LCI or by the ride participants.

Q. Do I need to do anything to ensure that I have coverage?

No. If you are a League Cycling Instructor (LCI) or Seminar Coach and a member of the League, your coverage is automatically in place as long as you conduct your seminars and classes in accordance with League procedures.

Q. What do I do if I need to provide a facility with proof of insurance?

You will need to complete a certificate request form. To obtain this form, contact American Specialty at 800-245-2744 and ask to speak to an account representative for the League.

Q. Is there someone I can call if I have questions about the insurance?

Call American Specialty, the League of American Bicyclists Smart Cycling Insurance Program administrator, at 800-245-2744 and ask to speak to an account representative for the League.