2019 League of American Bicyclists
Club Insurance Program

Fun “Fact”: The longest bicycle as recorded by the Guinness World Record in 2016 is 135 ft 10.7 long (which is about twice as long as a traditional bowling lane!)
Benefits of the LAB Club Insurance Program

• Customized insurance program to meet the unique needs of a bicycle club
  • Bad things can happen on your weekly donut ride or your club’s biggest fundraising ride; make sure your club is protected
• Experienced claims specialists with over 25 years working with the League and its clubs
• Custom-built insurance purchasing website with access to risk management resources
• Access to the American Specialty team if the online platform is not your preference
• Group Purchasing Power
• Consistency in Coverage
Eligibility

- 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 is eligible.
- The entity does NOT need to be incorporated or have tax-exempt status to be eligible for coverage.
- “Untraditional” clubs are welcome as long as:
  - The Club is NOT primarily engaged in mountain-biking activities; or
  - The Club is NOT primarily engaged in unsupervised randonneuring activities.
“Bicycle Clubs” and “Advocacy Organizations”

- Bicycle Clubs and Advocacy Organizations receive the same insurance coverage.
- Premium structure is based on whether the Club is an Advocacy Organization or Bicycle Club as defined by the insurance policy.
- Insurance Program Definitions:
  - Advocacy Organizations is a Club that has 26 or fewer “club rides” annually with an average of 50 or fewer riders for each ride; or does not conduct any recreational rides other than Special Events.
    - Flat premium to join the insurance program (premium is not impacted by membership size).
  - Bicycle Club is a Club that has 27 or more “club rides” annually.
    - Premium is membership-based.

Fun “Fact”: Alien Abduction Insurance has been available, maybe not readily, in the insurance marketplace since at least 1987.
Program Overview

• Base Program:
  • General Liability
  • Excess Accident Medical

• Optional Coverages (purchased separately):
  • Excess Liability Limits
  • Directors & Officers/Employment Practices Liability
  • Non-Owned/Hired Automobile Liability
  • Property (limited)

• Coverage not Available:
  • Workers Compensation
  • Owned Automobile Liability and Physical Damage Coverage

• LCI’s automatically receive General Liability coverage for their individual education activities conducted in accordance with League guidelines
General Liability (GL)

• What is it?
  • Provides protection from third-party liability claims of bodily injury, property damage, and personal and advertising 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 and when does coverage apply?

- 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; required for mountain biking exposures
• Non-Competitive Walking Component
  • In conjunction with a Club ride
• Abuse and Molestation Component
General Liability (GL)

Important Items to Know

• Mountain Biking Activities
  • 52 club rides or less = $116
  • Helmets and Release of Liability Waivers are required for mountain biking activities
  • Mountain biking may not represent more than 1/3 of the Club’s annual activities
  • Cross country and trail rides only (riding bicycles off-road over rough terrain, using mountain bikes, including cross country and trail riding). These rides are for Club members only and should not include tricks or timing.
  • For exposures that fall outside of the above, coverage is subject to individual underwriting

• Coverage does NOT apply to:
  • Racing
  • For-profit tours
  • Rentals or bike-share programs
  • Commercial bike or repair shops
  • Construction or engineering of bike trails
  • Year-round bike depot exposures
  • Certain alcohol-related exposures
  • Organizing or supervising a walking/biking school bus
General Liability Losses

Quick Facts

• Low Frequency; High Severity Trend
  • Roughly 2 General Liability claims each policy year (small number of claims, but very large losses)

• 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 a relatively small percentage of overall 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
Purchasing GL and PA Coverage

• Purchase online (www.americanspecialty.com/lab)

• 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)
  • Register Special Events online

• Coverage begins at time of payment (Feb. 1, 2019 or after) and ends Feb. 1, 2020
  • Discounts apply after August 2019 but full minimum premium applies

• Secure Certificates of Insurance for Special Events online
• Bicycle Clubs
  • Club Activities (per member)
    • 0 to 1,000: $4.75
    • 1,001 to 2,000: $4.25
    • Over 2,000: $3.75
  • Minimum Premium: $238 per club
  • Number of club members = “Peak” of your club activities

• Advocacy Organizations
  • No club or social rides: $150
    • No PA coverage provided
  • Conducts club or social rides: $245
    • Maximum of 26 or fewer rides with less than 50 average riders in each ride or the entity must enroll as a Bicycle Club
2019 Program Cost
Club Operations/Activities

• Optional Coverages
  • Rent, lease, or own year-round office: $125

• Education Courses
  • Use ONLY LCI’s as instructors
    • Classroom only: $79
    • Classroom and On-Bike Instruction: $224
  • Non-LCI’s as instructors
    • Classroom only: $105
    • Classroom and On-Bike Instruction: $298

• Bicycle Refurbishment: $151
• Mountain Biking (subject to criteria): $116
2019 Program Cost Cont’d

• Special Event (per participant)
  • 0 to 1,000: $5.18
  • 1,001 to 2,000: $4.07
  • Over 2,000: $3.06
  • Minimum Premiums: $266 per special event

Note: Bicycle Clubs do not count members when reporting special event participation (AO’s do)
## Rate Change Summary

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<th>Insured Category</th>
<th>Rate</th>
<th>Change</th>
<th>Min. Premium</th>
<th>Change</th>
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<td>$4.75</td>
<td>$0.12 per member</td>
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<tr>
<td>Advocacy Organizations (with rides)</td>
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<tr>
<td>Advocacy Organizations (no rides)</td>
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<td>$0.14 per rider (not including club members)</td>
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Note: Rate comparison is based on first 1,000 members/riders and does not contemplate volume discounts.
Optional Coverages

DON’T STRESS
INSURANCE IS
FUN

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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

• Limit: $1,000,000

• Requirements: Separate application; verification of club driving policies

• Premium: Subject to underwriting
Directors & Officers Liability

• What is it?
  • General Liability –vs- Directors & Officers Liability
  • 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.americanspecialty.com/lab](http://www.americanspecialty.com/lab)
- Coverage begins the day coverage is purchased (2/1/2019 or after) through 2/1/2020
- Premium is pro-rated for policies purchased after 2/1/2019
- Premium:
  - $550 for $1,000,000 limit (plus $25 purchasing group fee)
  - $850 for $2,000,000 limit (plus $25 purchasing group 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 secured from American Specialty
Contact Information

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