

**INSURANCE FOR
VOLUNTARY ORGANIZATIONS**

**ARE YOUR VOLUNTEERS
AND CLIENTS COVERED?**



BUSINESS INSURANCE → VISIT IBC.CA



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Nearly 12 million Canadians or 45% of the population volunteer time through a group or organization, according to Statistics Canada. This time totals almost 2 billion hours a year and is the equivalent of 1 million full-time jobs.

These millions of volunteers and their clients need to be protected by insurance. The type and amount of protection depends on how, when and where volunteers do their work. A sports coach requires different coverage than someone delivering meals to seniors, who needs different coverage than someone serving as treasurer on a charity board of directors.

While every volunteer organization's insurance needs are unique, there are general themes and questions common to most organizations. **This brochure will help you get started in understanding your insurance needs.** For information specific to your volunteer organization's needs, talk to your insurance representative or contact Insurance Bureau of Canada (IBC). See the back page for how to find IBC regional consumer information centres.

MY INSURANCE REPRESENTATIVE SAYS PREMIUMS ARE RELATED TO RISK. WHAT INSURANCE RISKS DOES A VOLUNTARY ORGANIZATION POSE?

Yes, insurance is all about risk. Insurers set premiums based on the likelihood that an organization will submit an insurance claim. And insurance companies look at the risks involved in the services provided by an organization. For example, transporting disabled children to sporting activities carries different risks than offering telephone counselling.

Consider which situations might lead your organization to make an insurance claim. Do your volunteers travel to events? Do you provide vehicles for your volunteers or do they use their own? Do you offer services all year or only at a once-a-year special event?

Your insurance premiums are based on many factors, including an assessment of the number and cost of past, current and potential future claims and the current legal environment.

WHY DOES MY VOLUNTARY ORGANIZATION REQUIRE COMMERCIAL INSURANCE? WE DON'T MAKE ANY MONEY.

Insurers sometimes group for-profit and voluntary organizations together under the commercial insurance banner because in many circumstances they carry the same risks and require the same coverage. For example, paid staff at a private daycare centre and volunteers at a not-for-profit centre both do similar work with the same risks. They care for children, supervise children on playground equipment and possibly transport children.

WHAT INSURANCE COVERAGE CAN MY ORGANIZATION PURCHASE?

Many types of insurance coverage are available depending on what services your organization provides. Below are common types of coverage.

Commercial general liability (CGL) insurance is the most basic form of commercial insurance. If an organization offers only one type of insurance, it is most likely a CGL insurance policy, which covers:

Bodily injury	<i>e.g., a third party is injured as a result of the work of your organization</i>
Property damage	<i>e.g., a third party's property or belongings are damaged as a result of your organization's work</i>
Personal injury, including slander or libel	<i>e.g., a third party sues for damage to their reputation stemming from statements or documents produced by your organization</i>
Advertising injury	<i>e.g., your organization is protected against third-party claims of copyright or trademark infringement in certain circumstances</i>
Tenant's legal liability	<i>e.g., a volunteer causes damage to your organization's rented premises</i>
Non-owned automobile insurance	<i>e.g., volunteers use their own cars for the organization's business</i>

CGL policies also cover the cost of defending or settling claims – even if the claims have no merit.

Directors' and officers' (D&O) insurance provides coverage for boards of directors against wrongful acts, which might include actual or alleged errors, omissions, misleading statements and neglect or breach of duty.

Errors and omissions (E&O) insurance (also called professional liability insurance or malpractice insurance) provides protection for those who give advice, make professional recommendations, design a plan or represent the needs of others. People who may benefit from this coverage include teachers, financial planners, consultants and placement services workers. It can be important coverage for anyone who deals with clients who could claim that something done on their behalf was done incorrectly and that this error cost them money or caused them harm in some way.

Commercial auto insurance is required if your organization or its volunteers operate vehicles as part of your organization's activities. It protects your organization in the event of accident, theft, injury and other damages involving your organization's vehicles. It also protects your employees while they are driving insured organization vehicles. Coverage depends on how you use the vehicles.

HOW CAN I REDUCE THE COST OF MY ORGANIZATION'S PREMIUMS?

Shop around and compare rates.

Choose an insurance representative who specializes in voluntary sector coverage and ask him or her to check rates and types of coverage with several companies. Many insurance companies have identified the voluntary sector as a priority area of business and have developed special products to serve the unique needs of volunteer groups.

There are a number of online databases that collect and distribute the names of insurance representatives who specialize in different types of commercial insurance. You can find links to these databases under Special Markets in the business section on ibc.ca. If your insurance representative represents only one company, check with a second insurance representative.

Be “best in class.”

To get the best possible rate and coverage for your organization’s needs, make your organization stand out as the best possible client for an insurance company. You can achieve “best in class” status by taking an active role in the insurance buying process and implementing the strategies below.

- ➔ Cultivate a relationship with your insurance representative. The more he or she knows about your operation, the better prepared he or she will be to present your organization to insurers.
- ➔ Prepare any supporting materials that can accompany your application before meeting with your representative.
- ➔ Ensure that your application is well organized, referenced and labelled for easy review before submitting it to your representative. Include all information about your risk management policies and procedures.
- ➔ Ensure that all information requested by your insurance representative is included in your application.
- ➔ Include any documentation that clearly describes your operation in your application. Make sure you provide an executive summary that describes your organization and why it is “best in class.”

Finally, always review your organization’s application one last time before your insurance representative submits it to the insurance company. Make sure the application accurately reflects your organization, its operations, its needs and the requested coverage.

Manage your risk.

Create a risk management plan that identifies risks and demonstrates how your organization is working to minimize them.

List all the risks you can. For example, if your organization owns a building, it runs the risk of having a fire. If you employ paid staff or volunteers, there is the risk that they may be injured or that they might steal from you.

Consider each risk in turn. For example, if your organization has volunteers who work with vulnerable clients such as children, the disabled or seniors, does it have a system in place to request police record checks of volunteers?

If your organization serves clients in a building, does it have a system for regular inspections and maintenance of the facilities and equipment? Are the inspections documented? An organization can be legally liable for damages or injuries, that occur on premises owned or occupied by your organization, if it has not taken all reasonable precautions to prevent them.

If a loss were to happen, what plans are in place for the organization to recover?

MY INSURANCE REPRESENTATIVE SAYS NO COMPANY WILL INSURE MY ASSOCIATION. WHAT CAN I DO NOW?

Sometimes the work an organization does is considered so risky that insurers are reluctant to accept the business. While it's highly unlikely that no insurer will provide insurance, you may have to work a little harder to find an insurer to cover you. One suggestion is to check with other organizations that offer services similar to yours to ask how they are insured. Their insurer may offer the type and amount of coverage you require.

TOOLS AND RESOURCES

Insurance Bureau of Canada's website (ibc.ca) contains useful insurance tips as well as risk management information that will help you identify, manage or reduce possible risks for your business or volunteer organization. **Check out the business insurance section for more information.**

Imagine Canada: nonprofitrisk.imaginecanada.ca

Industry Canada: strategis.ic.gc.ca/epic/site/cilp-pdci.nsf/en/cl00689e.html

Volunteer Canada: <http://volunteer.ca/screening>

You can also contact one of IBC's regional consumer information centres if you have any questions.

Questions about insurance?

Call us.

British Columbia, Saskatchewan and Manitoba

Toll-free: 1-877-772-3777 ext. 222

Hours: M-F 9:00 a.m. – 4:00 p.m.

Alberta

Toll-free: 1-800-377-6378

Hours: M-F 8:00 a.m. – 4:00 p.m.

Ontario

Toll-free: 1-800-387-2880

Hours: M-F 8:00 a.m. – 5:00 p.m.

Quebec

Toll-free: 1-877-288-4321

Hours: M-F 8:30 a.m. – 4:30 p.m.

Atlantic

Toll-free: 1-800-565-7189 ext. 227

Hours: M-F 8:30 a.m. – 4:30 p.m.

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