

HUB

Are your organization and employees covered?

A Nonprofit Insurance Refresher

Agenda

Part I: Commercial

- 1 What is Commercial General Liability Insurance?
- 2 Key Coverage's
- 3 Abuse Liability
- 4 Non Owned Automobile
- 5 Special Event Liability
- 6 Common Exclusions
- 7 CGL Claims Examples

Part II: Personal

- 8 Changing weather patterns and personal insurance
- 2 Spring Thaw
- 3 What is Overland Water
- 4 How to Protect your Property
- 5 Wind Damage
- 6 How HUB Can Help

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Commercial General Liability Insurance

What you need to know



Commercial General Liability (CGL)



What is CGL Insurance

- A standard insurance policy issued to businesses & organizations to protect them for a wide range of negligent acts to third parties who allege liability claims for bodily injury (BI) and property damage (PD) arising out of premises, operations, products, and completed operations; and advertising and personal injury (PI) liability.
- Policy covers directors, employees, and volunteers while acting within the scope of their duties.

Should every Nonprofit have a CGL policy?

Two questions that you need to ask are:

1. Could the actions of this organization hurt anyone?
2. Could the actions of this organization damage anything?

Any organization that provides a product, service or advice should consider a CGL policy.

Insuring Agreement

- Pay those sums that the Insured is legally obligated to pay as compensatory damages because of bodily injury or property damage
- The bodily injury or property damage must be caused by an occurrence that takes place within the coverage territory

CGL – Key Coverage's



- Liability Limit (< \$10m)
- Bodily Injury
- Property Damage
- Non-Owned Automobile
- Medical Payments
- Contractual
- Employers Liability
- Personal Injury (Libel and Slander)
- Physical and Sexual Abuse
- Tenants Legal Liability

CGL - Non-Owned Auto



- Covers liability for accidents caused by an employee or volunteer driving their own vehicle on a nonprofit's behalf.
- The coverage is designed to protect only the nonprofit organization, not the employee or volunteer.
- Coverage applies above the liability limits of the vehicle owner's personal automobile policy.
- There is no coverage for damage to the vehicle that is not owned by the nonprofit.
- Non-owned auto insurance is critical for any nonprofit that uses volunteer drivers who drive their own cars, or those nonprofits that expect employees to use their own cars for work-related transportation.

What is Abuse?

- Any act or threat of molestation, harassment, corporal punishment, or any other form of physical, sexual or mental abuse.

Who Does it Protect?

- Persons including but not limited to a child under the age of consent, handicapped or elderly persons.

Why does Abuse Occur?

- Incidents of abuse exist when individuals are in a position of power
- Past incidents develop into claims when victims reach adulthood and are unable to lead a normal life
- Increased awareness of abuse leads to more reported incidents

CGL - Abuse Liability (cont.)



- Emotional trauma to the victim
- Emotional trauma to the victim's family
- Enormous Legal Liability of the organization
- Reputation – the association of the organization with the abuse incident

CGL - Special Event Insurance



Event Liability

- Religious Assemblies
- Pageants
- Job Fairs
- Concerts
- Charity auctions
- Awards Presentations
- Stage Shows and Theatrical Performances
- Conferences
- Booths

CGL - Common Exclusions



- Intentional injury or property damage
- Employment related injury
- Insured vs. Insured
- The majority of cases of pollution liability
- Commercial auto, watercraft or aircraft liability
- BI or PD resulting from the organization serving liquor

CGL - Claims Examples



- ABC is a nonprofit organization whose mandate was to provide employment placement of adults with mental and/or physical disabilities. ABC arranged for an individual to be placed at a local department store. The individual's job entailed general clean up of the store and collecting carts that were left around the store and returning them to the designated receptacles. On one shift, the individual was pushing a cart around the store and struck a patron causing her to fall. ABC was named in a lawsuit brought against the store for bodily injury. The Bodily Injury portion of the CGL policy (Coverage A) responded and the parties were able to resolve the issue out of court.
- XYZ is a nonprofit organization formed to help renew the downtown area by attracting more business and tourism. As part of their revitalization project, XYZ contracted with a company to build an ice rink in a downtown park. The contract stated that the company was responsible for the maintenance of the ice rink and that the rink would have a large XYZ sign. While flooding the rink, the company accidentally let the water flood onto the sidewalk. A pedestrian fell on this frozen section of the sidewalk and fractured his wrist. XYZ was named in a lawsuit brought by the pedestrian. The Bodily Injury portion of the CGL policy (Coverage A) responded. With the case about to go to trial, and the severity of the injury, the absence of a CGL policy would could have crippled the association.

CGL - Claims Examples (Cont.)



- A Chamber of Commerce had numerous members from the local business community on its board of directors. The purpose of the COC was to provide support for local businesses and networking for its members. At their Annual General Meeting, two members of the board of directors disagreed over some missing money. One accused the other of fraudulent activities and went so far as to post the details of the suspected fraudulent activities on the accuser's website. The person accused of the fraudulent activities found this out and sued the organization and the member for defamation of character and other personal injuries. The Personal Injury portion (Coverage B) of the CGL policy responded to the claim and the claim was eventually settled out of court. Without a CGL, both the individual and the organization would have been open to expensive litigation.
- As part of a Festival each year, this Organization holds an outdoor concert featuring a prominent upcoming artist. The concert is a ticketed event with patrons entering and exiting through one area of the park. While attempting to sneak into the concert, a teenager attempted to jump over a temporary fence erected by the festival's volunteers and fractured her ankle. The teenager sued the organization for not properly securing the fence. Despite the fact that the teenager was injured while attempting to sneak into the concert, the Bodily Injury portion of the CGL policy responded to cover defence costs, which were substantial even though the case never went to trial.



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Personal Insurance

Protecting what matters most



Changing Weather Patterns



- Weather patterns are changing worldwide, a trend that's affecting Canada directly



Severe weather damage claims paid by Canadian insurers increased more than 13 fold over the past 30 years.



Canada has become wetter since the 1950s, with an increase in average annual precipitation of 10%.



Major floods represent almost 40% of all natural disasters ever recorded in this country.

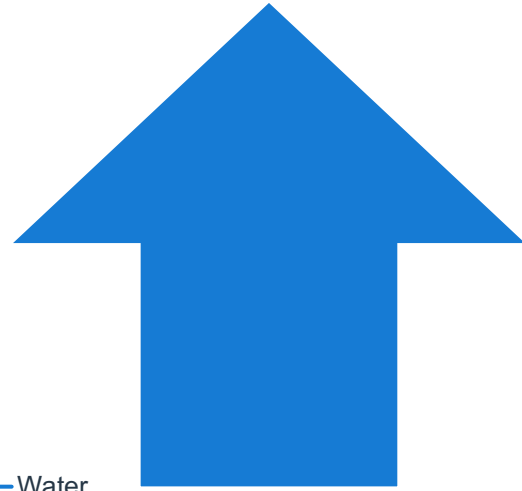
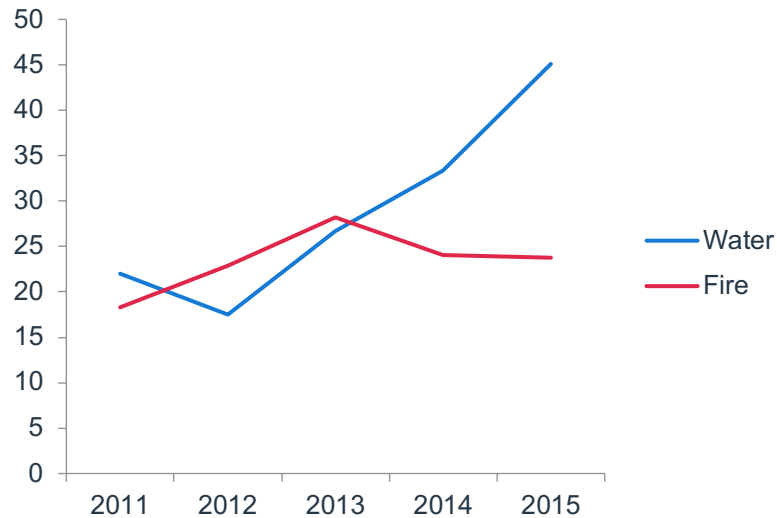
Extreme Weather is on the rise



- In today's world of extreme weather events, \$1 billion has become the new normal for yearly catastrophic losses – most of this is due to water-related damage.

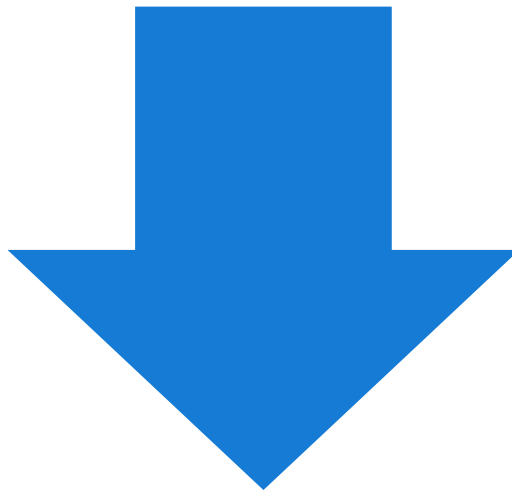


Insurance is Changing



Before

Fire was the main cause for property insurance claims. Water damage claims were very rare.



Now

90% of people will have a water damage related insurance claim in their lifetime. Only 10% will have a fire related claim.

Spring Season

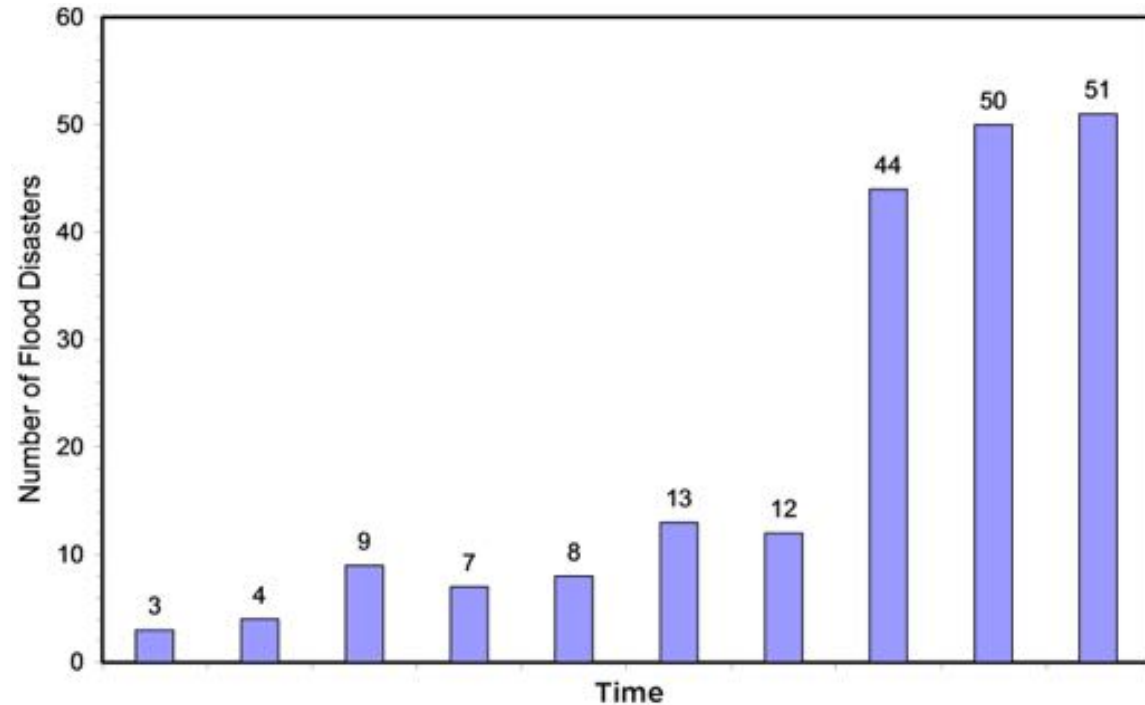
- After a tough winter, spring is a welcome change. But, with the warmer weather comes a new series of challenges. Preparation ahead of severe weather and risks associated with warmer temperatures should start as soon as possible.



Water is Happening



- With the emergence of flooding and large storms in Ontario water related claims have increased significantly in the past 10 years
- Water damage claims are the most frequent claims insurance companies deal with
- Make sure you are prepared



Types of Water Coverage

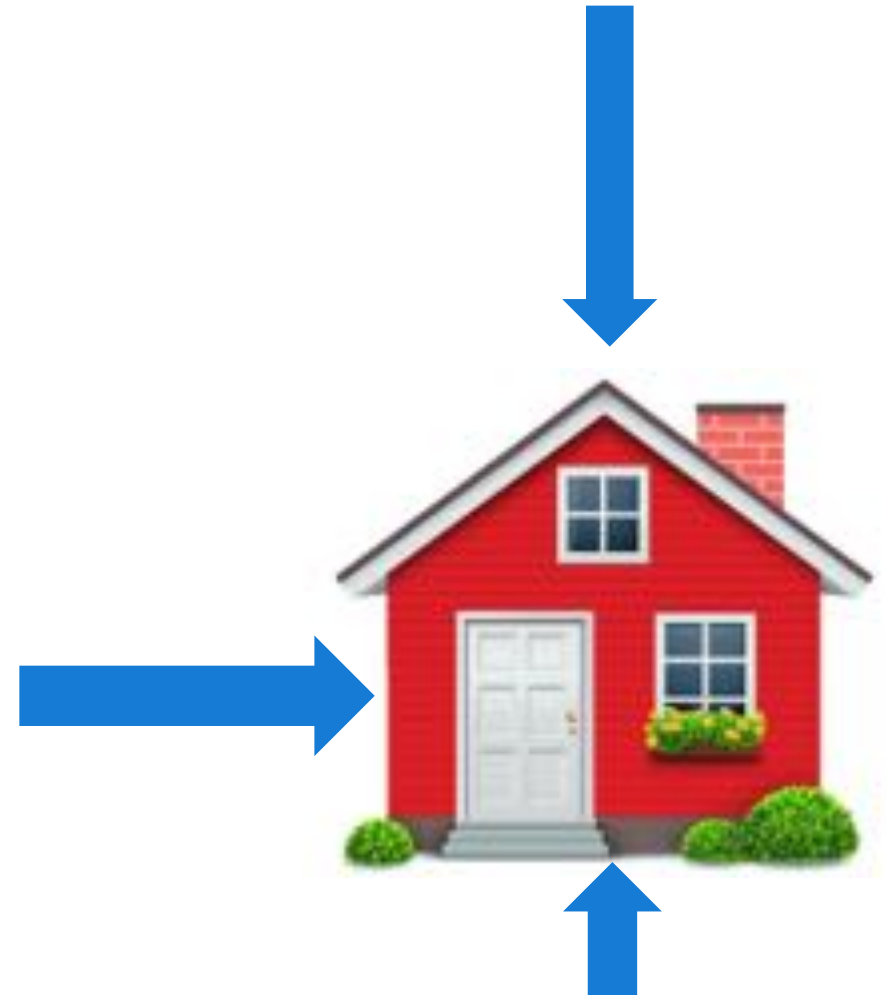


Overland Water:

Coverage for water damage caused by overflow of a lake or river, heavy rain or rapid snowmelt that enters your home from a point at or above ground level.

Sewer Back-up:

Coverage if sudden and accidental water backs-up and flows into your home from your municipal sewer system, private septic system or through sump pump failure



Frequently Asked Questions



- **What’s the difference between “overland water” and a “flood”?**

“Overland water” is fresh water from rivers and lakes, or water suddenly accumulating from heavy rainfall or spring thaw. “Flood” refers to coastal flooding from salt water, such as from tsunamis and tidal waves.

The introduction of Overland Water Endorsements mean that fresh water flooding is now an insurable option. Overland water includes coverage for water damage resulting from excess rainfall and rising river waters.

- **Can I buy overland water protection without sewer back-up coverage?**

No, sewer back-up coverage must be in place when you buy overland water protection as the two are designed to work together. You can buy sewer back-up coverage alone – but remember there is no sewer back-up coverage if overland water has entered your home.

Protect What You Love

Protect your property and belongings with these tools:

- **Flood Alarm** – install in areas where water leakage is a concern (washing machines, dishwashers, showers, bath tubs, water tanks, and sump pumps)
- **Sewer Back-up Valve** – install on your Sewer line and designed to allow water Or sewage to flow only one way (out of your house)



Wind Damage



- Damage to homes caused by hail or wind is usually covered and includes losses caused by flying debris or falling branches or trees
- Call HUB for claims counselling to see if making a claim is your best option



Starting the claims process...



- Call your broker or insurance company
- List all damaged or destroyed items – if possible, proofs of purchase, photos, receipts & warranties
- Take photos of damage incurred and keep damaged item(s) unless they pose a health hazard.
- Keep all receipts related to cleanup and living expenses if you've been displaced
- Ask your insurance rep about what expenses you may be entitled to and for what period of time

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