

## General Liability and Chartered Organizations With Scouting Units

During the Thursday, August 23, afternoon session at the 2012 Top Hands Conference, changes were announced in the general liability insurance program for all local Scouting units.

The reasons for the changes are as follows:

- The reserves for open claims have increased significantly over the last several years.
- The average cost per claim has nearly doubled in the last five years.
- Claim payments have doubled in the last two years compared to a five-year average from 2005 to 2009.

It was also announced that what is now known as the unit charter fee will be called the unit liability insurance fee. The general liability insurance program receives 100 percent of this fee.

The fee will be increased to \$40 from \$20 effective January 1, 2013. This means the new fee will begin with units that have a December 2012 charter renewal date (a charter period beginning January 1, 2013).

Units are required to pay the annual unit liability insurance fee of \$40. This fee is submitted with the unit's charter renewal application. This fee helps defray expenses of the general liability insurance program.

The general liability insurance policy provides primary liability insurance coverage for registered adults and for all chartered organizations on file with the BSA. The coverage is for liability arising out of their operating a traditional Scouting unit. This policy

provides coverage for claims alleging negligent actions that result in either personal injury or property damage.

A chartered organization is described as an organization that has applied for and received a current Boy Scouts of America charter to operate a Scouting unit.

A chartered organization as defined within the policy shall include the chartered organization, its board of directors and/or trustees, and its officers and employees in their official and individual capacity. This definition also includes a specific position: Chartered Organization Representative.

Chartered organizations do not need a certificate of insurance. The chartered organization endorsement is a part of the insurance policy contract and is enforceable under the policy contract.

Old Republic Insurance Company provides the first \$1 million in coverage. Additional policies, all providing primary coverage to the chartered organization, have been purchased so more than \$5 million in primary coverage is provided.

There is no coverage for those who commit intentional or criminal acts. Liability insurance is purchased to provide financial protection in the event of accidents or injuries that occurs during an official Scouting activity.