

## RISK MANAGEMENT

The U.S. Rotary Club and District Liability Insurance Program ("Program") provides all U.S. Rotary clubs, districts and Rotaract clubs with general liability (GL) and directors and officers/employment practices liability (D&O/EPL) insurance.

Dear current and incoming U.S. Club Officers:

This message is to advise you about the 2021-22 insurance assessment rates (insurance premiums per member) that will be charged on the upcoming July Club Invoice.

These assessments fund the \$250,000 per occurrence self-insured retention under the general liability policy and \$25,000 per claim deductible under the directors and officers/employment practices liability (D&O/EPL) policy, as well as the cost of commercial insurance under the U.S. Rotary Club & District Liability Insurance Program ("Program"). The assessment amounts are calculated annually by an actuary and are based on claims activity per state, funding obligations for the self-insured retention, and the cost of commercial insurance.

The assessment rates by state and per member are shown below.

The actuary has also calculated a premium credit based on the Program's favorable loss history. During the 2020-21 policy period, there was a reduction in new claims because in-person fundraising events were cancelled due to COVID-19. This credit is applied to reduce the overall increase in insurance premiums.

Premiums for general liability insurance increased substantially this year because of a hard insurance market and a confluence of factors, including increased storm activity and pandemic losses. Large sex abuse settlements (Boy Scouts \$650 million and USC \$1.1 billion) are also driving premium increases for programs that involve ANY interaction with youth. Even though the Program has a favorable loss history and is vastly different from entities with a history of sex abuse claims, insurers are carefully reviewing the Program because of the variety of youth activities and interactions undertaken by U.S. clubs and districts.

It is more important than ever to remain vigilant in creating and maintaining a safe environment for all who participate in Rotary activities and to minimize the potential for new claims. This means that adopting the youth protection policies set forth in the [Rotary Youth Protection Guide](#) for tutoring programs, Interact, RYLA and the Youth Exchange Program, and any other activities involving youth is essential to maintaining the broad insurance coverage that has historically been available under the Program.

General liability insurance assessments have increased by 23-26% depending on tier, and the D&O insurance assessments have increased by 25% (from \$0.79 to \$0.99) due to an increase in insurance costs. These rates have been partially offset by a premium credit from the last policy year.

States and Territories	General Liability Rates	D&O/EPL Rate
AK CT IL NH NJ NV NY PA RI WI	\$8.90	\$0.99
AL FL LA MA MD ME MN MO NM OR TN TX WA	\$4.95	\$0.99
CO IA ID MI NC OH OK UT VA VT WV	\$4.29	\$0.99
GA HI IN KS KY MS MT ND NE SC SD WY	\$3.54	\$0.99
American Samoa, Guam, Northern Mariana, Puerto Rico, US VI	\$2.49	\$0.99

Finally, the general liability policy will again include a communicable disease exclusion that applies to COVID-19. In late July, Risk Management will send an email update to club officers on the 2021-22 insurance policies and available insurance resources.

To obtain more information about the Program, please visit the insurance website set up for U.S. Rotarians. Updated 21-22 documents will be posted to the insurance website after 1 July. See below for credentials.

***The 2021-22 Certificate of Insurance will be available on the Gallagher website on 21 June 2021.***

To access it and to learn more about the Program, please visit the *Gallagher* insurance website:

Website address: <https://rotary.ajg.com>

**Username:** [rotary@ajg.com](mailto:rotary@ajg.com)

**Password:** rotarian1

Rotarians can also contact Gallagher by email ([rotary@ajg.com](mailto:rotary@ajg.com)) or by phone: 1.833.3ROTARY (833.376.8279)

This website is for U.S. Rotary club/district use only and is the exclusive source for the Program documents, forms, loss prevention strategies, and the certificate of insurance.

**Please share this link/login to the Gallagher website with Rotarians in your club/district but do not post this on your club website.**

Regards,

Rotary Risk Management Team

[insurance@rotary.org](mailto:insurance@rotary.org)

<b>Insurance Broker</b>	<b>Risk Management</b>		
Gallagher	Julita Brzozowska Risk Manager	Carol Dietz Risk Management Analyst	Ann Berdahl Claims & Insurance Manager
(833) 376-8279	(847) 424-5394	(847) 424-5245	(847) 866-3125
<a href="mailto:rotary@ajg.com">rotary@ajg.com</a>	<a href="mailto:insurance@rotary.org">insurance@rotary.org</a>		<a href="mailto:claims@rotary.org">claims@rotary.org</a>