



Insurance Coverage for AAW Members and AAW Affiliated Chapters

2018 Fact Sheet

One of the enduring benefits of AAW membership is receiving up to \$1M in individual liability insurance coverage when performing the business of the AAW and/or an AAW affiliated chapter. In addition to the individual member insurance, the AAW has also established two alternative general liability insurance programs for our chapters. The first policy option enables chapters to be named in the AAW nonprofit commercial general liability policy. This is the same policy that also names our members as additional insured. We refer to this as the AAW "Group Plan" (formerly referred to as the "Blanket Plan"). The second insurance program is a private general liability policy available for purchase individually by our AAW chapters. We refer to this as the "Private Plan" (formerly referred to as the "Optional Plan"). While there are many similarities between these two insurance alternatives for chapters, there are also some very distinct differences. Below is a comprehensive summary of the coverage limits and basic terms and conditions of all the AAW general liability insurance programs. We have divided this information into three separate sections:

- **COVERAGE FOR AAW MEMBERS**
- **COVERAGE FOR AAW CHAPTERS**
- **GENERAL QUESTIONS ABOUT THE AAW INSURANCE PROGRAMS**

AAW CHAPTER INSURANCE QUICK SELECTION GUIDE

	WILL RESPECTIVE PLAN SATISFY CHAPTERS' INTEREST?		
CHAPTER INTEREST	Group Plan	Private Plan	Canadian Plan
Lowest Cost	\$95	~\$425	~\$550 CAN
Need To Insure Chapter Itself As An Organization Against General Liability Claim Or Lawsuit	YES	YES	YES
Need To Insure Individual Chapter Members Against General Liability Claim Or Lawsuit	YES	YES	YES
Need To Insure Chapter Activities Undertaken In Private Residences	NO	YES	YES
Chapter Located In Any Of 48 Continuous States	YES	YES	NO
Located In Alaska Or Hawaii	YES	NO	NO
Located In Canada	YES	NO	YES

Note:

- 1) All policies insure any chapter member who is volunteering to perform on behalf of the business of the chapter.
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COVERAGE FOR AAW MEMBERS

1) What insurance is available to AAW members?

The AAW has purchased a commercial general liability insurance policy that also names our AAW members as additional insured. The policy is underwritten by Philadelphia Insurance Company and sold to us by the Roehrs & Company, Inc. agency in Exton, Pennsylvania. This policy provides insurance for the national organization, AAW members, and our chapters. In general, this policy insures AAW members and volunteers who are involved in any sanctioned AAW or chapter activity or event during:

- 1) The AAW annual symposium;
- 2) Regular AAW chapter meetings and events;
- 3) Any officially sponsored or endorsed activity by either the AAW or any of the chapters.

2) What does this policy insure and what are the limits of insurance available to AAW members?

The policy provides insurance coverage in two ways. First, it will reimburse an AAW member's medical expenses up to \$10,000 per incident resulting from an accident or injury, regardless of fault (note exception for AAW member residents of Canada in section 5 on page 4). Second, it will pay for damages because of bodily injury, property damage, or personal and advertising injury. The insurance company has the right and duty to defend the AAW member against any claim or lawsuit. The limits of insurance available are \$1M per incident up to an agreement annual limit of \$2M.

3) Under what circumstances are AAW members not covered?

While it's impossible to speculate on every given hypothetical scenario, there are some coverage exclusions defined in the policy, including any not limited to:

- 1) Any activities within a personal residence – i.e., at home or in a shop or studio; or,
- 2) Any professional business activity undertaken by the member that is not related to a chapter- or AAW-sanctioned activity or event; or,
- 3) Any incident arising out of the use of alcohol or any gross negligence unrelated to the business activities of the AAW or chapter.

4) If I am an AAW member and I volunteer or receive compensation for demonstrating am I covered?

In general, yes; the AAW has made considerable efforts to obtain the most robust coverage possible for our members. But coverage will depend on certain circumstances. The policy insures AAW members who are performing duties on behalf of the AAW and/or on behalf of a chapter.

You are insured as a demonstrator if:

1. *You are volunteering your time to an officially sanctioned AAW or Chapter meeting or event; or,*
2. *You are compensated for your time while demonstrating for an officially sanctioned AAW or Chapter meeting or event; or,*
3. *Through no fault or negligence of your own, you are named in a lawsuit filed against the AAW or Chapter.*

You are not insured as a demonstrator under this policy if:

4. *You are performing any services independently for yourself or for any organization other than the AAW or AAW chapter.*

To be covered while demonstrating, the AAW strongly recommends having a written, binding contract between you as demonstrator and the AAW or AAW chapter specifying the performance of your duties. A sample contract is available on the AAW website. Professional demonstrators are strongly encouraged to consult with an insurance specialist about business owner

general liability insurance policies that more fully protect your personal interests.

5) Does the AAW policy insure AAW members who are residents of Canada?

Yes, the policy provides general liability insurance to permanent residents of Canada. The policy specifically defines the coverage territory to include "the United States of America (including its territories and possessions), Puerto Rico, and Canada". The no-fault medical payment provision is provided through a companion policy from Berkley Life and Health. This policy covers Canadian residents while they are partaking in AAW and chapter business activities while in the United States. However, if they are permanent Canadian citizens and partaking in activities in Canada, AAW members would not receive no-fault medical benefits under this plan as they are governed under the Canadian National Plan.

6) Am I covered if, during an AAW or chapter event, someone else injures me?

Remember that the policy provides two forms of coverage – no fault reimbursement for medical expenses and general liability protection in the event someone else brings a claim or suit against you. If you are injured during a sanctioned event, you would be eligible for reimbursement of medical expenses up to \$10,000 per incident, without determination of fault (noting the exception for Canadian residents in section 5 above). The policy requires that the AAW member pay a \$250 deductible per claim. The general liability coverage protection in the policy is not relevant in this example because another party is not making a claim against you.

7) Are guests or visitors or youth covered by the policy?

It is most important to remember that the policy insures AAW members and volunteers to protect them individually against a claim or lawsuit, up to the stated limits of the policy. Guests or visitors to a sanctioned event

do not have this same individual personal protection under the policy. There is, however, a 3rd-party coverage provision to pay up to \$5,000 in medical expenses without determination of fault if anyone who is not an AAW member brings forward a claim due to an injury incurred during a sanctioned event.

The AAW and many of our chapters have a long history of engaging youth in turning workshops and mentoring programs. The AAW has always made provisions to issue complimentary youth AAW memberships and this enrolls them in the personal insurance protection in this policy. We strongly advise that all youth involved in sanctioned turning activities become registered as members with the AAW.

8) What do I do if I need to file a claim?

If any circumstance arises where it is necessary to file an insurance claim, even if there is any uncertainty or doubt about whether a claim is justifiable, contact the AAW immediately at (877) 595-9094 toll free.

COVERAGE FOR AAW CHAPTERS

1) What insurance is available to AAW Chapters?

Two alternatives have been arranged to allow the AAW to exclusively offer general liability insurance to approved AAW chapters. We refer to these two programs as:

- (A) The AAW "Group Plan" and
- (B) The AAW "Private Plan"
- (C) The "Canadian Plan"

The unique features of each are further described below:

(A) The AAW Group Plan

This is the same commercial liability policy described above in the section addressing coverage for AAW members, thus many of the terms and conditions when applied to our chapters are identical. The AAW purchased this coverage specifically because it extends insurance coverage to our chapters. One unique feature of this liability policy is that it does not exclude coverage for named-insured who are not 3rd-party interests. This is an important improvement over other commercial insurance policies because it places fewer limits on the protection available to AAW members and chapters in the event that a claim or lawsuit is filed.

a. How do the chapters become eligible to participate in this policy?

All chapters in good standing with the AAW are eligible. For a chapter to participate, two requirements must be met:

- (1) Chapters must be in compliance with the AAW official policy requiring that the current four major officers of

- any AAW-affiliated chapter must be AAW members in good standing; and,
- (2) Chapters are required to make an annual contribution directly to the AAW of **\$95.00** to help offset the cost of the policy premium.

This policy coverage was originally bound on February 15, 2013, with renewal scheduled for February 15, 2018. Upon renewal, coverage will be extended for an additional 12-month policy period. All AAW chapters which enrolled in the Group Plan during 2017 will automatically be renewed for 2018 unless they specifically indicate they want to opt-out. Other chapters may still opt-in after this date by notifying the AAW, however the contribution toward the premium is not prorated and will be \$95.

b. What are the insurance limits?

\$1M per occurrence and \$2M in aggregate annual coverage *per chapter*. In return for their \$95 annual contribution, chapters receive up to \$2M in general liability insurance protection.

c. Who is insured?

The AAW Group Plan insures the chapter as an entity and it also insures chapter members who are AAW members. It also insures anyone not also an AAW member who is volunteering on behalf of the chapter to perform the business of the chapter.

d. Does the AAW Group Plan insure AAW affiliated chapters in Canada?

Yes, the policy provides general liability insurance to Canadian chapters. The policy specifically defines the coverage territory to include "the United States of America (including its territories and possessions), Puerto Rico, and Canada". The no-fault medical payment provision is provided through a companion policy from Berkley Life and Health. However, chapter activities undertaken in Canada would not receive no-fault medical benefits under this plan as they are governed under the Canadian National Plan.

e. Are all chapter members required to be AAW members for the chapter as an entity to be insured under this policy?

No, this coverage will protect the chapter regardless of the number of AAW members. The chapter, all AAW members and volunteers performing the business of the chapter are insured through this plan.

f. Does this policy insure chapter demonstrators?

Yes, under most situations. The policy extends coverage to all AAW members when they are acting on behalf of the AAW and our chapters. This is the case whether they are volunteering or receiving compensation for their services.

Your demonstrators **are insured** if:

- i. They are AAW members in good standing. This is the case whether they are volunteering or whether they are being compensated for their time and service; or,*
- ii. They are not an AAW member and they are only volunteering their time (they are not covered if they receive compensation for their time); or,*

iii. *They are not an AAW member and if, through no fault or negligence of their own, they are named in a lawsuit filed against the chapter – whether or not they are being compensated in return for their services.*

Your demonstrators **are not** insured if:

iv. *They are not an AAW member and they are being compensated for their services.*

Furthermore, a chapter that hires a paid demonstrator who is not an AAW member should insist that the demonstrator carry a professional general liability policy and furnish a certificate of insurance naming the chapter as an additional insured. A demonstrator who is not an AAW member exposes the chapter and the AAW to risks conceivably not addressed under this policy.

g. **Will my chapter be able to obtain an ACORD certificate if required by the landlord or facility hosting the location used for chapter meetings and events?**

Yes.

h. **Will this coverage protect me if I conduct official chapter business in my home?**

No. This policy excludes private residences because the insurance carrier requires that that exposure be covered under a separate home-owners policy.

i. **How do we obtain an ACORD Insurance Certificate?**

Contact the insurance agency direct at:

Roehrs & Company, Inc.
1-888-467-3557

If any circumstance arises where it is necessary to file an insurance claim, even if there is any uncertainty or doubt about whether a claim is justifiable, contact the AAW immediately at 651-484-9094.

(B) The Private Plan

The AAW offers an entirely separate general liability policy that can be purchased directly by chapters through AMJ Insurance Agency, 317.735.4072 / 888.258.6820 ext. 172. This is a commercial general liability policy underwritten by The Hartford Insurance Company. This is a traditional 3rd-party liability policy and the provisions do contain some differences from what was described above for the Group Plan. This coverage is primarily intended to protect the chapters and their club members against claims made by persons who are not actively volunteering for (or employed by) the chapter at the time that an accident or injury takes place.

a. What do the chapters have to do to be eligible for this policy?

All chapters in good standing with the AAW are eligible. For a chapter to participate, two requirements must be met:

- (1) The AAW Bylaws require that the current four major officers of any AAW-affiliated chapter must be AAW members in good standing; and,
- (2) Chapters must purchase the optional policy directly from the agent cited above. The annual premium for 2015 is approximately **\$425.00, and this amount may vary state-by-state.**

b. What are the insurance limits?

\$2M per occurrence and \$4M in aggregate annual coverage *per Chapter*.

c. Who is insured?

The Private Plan insures the chapter and all of its members who are volunteering on behalf of the chapter in performing the business of

the chapter. This Private Plan is available to chapters located in the 48 contiguous states in the US only.

d. Are chapter members required to be AAW members to have the insurance?

No; this policy makes no distinction about whether or not a chapter member is also an AAW member. All members of the chapter are insured as indicated in section “c” above regardless of whether or not they are AAW members.

e. What exactly does 3rd-party coverage mean for us and how does this differ from the AAW Group Plan?

By way of example, on a typical homeowner’s policy, if one spouse or named insured injures another spouse or named insured, the policy will not cover the accident since both are named insured. If someone not named as an insured (called a 3rd party) is injured, the policy covers the accident. Under the Private Plan,” if one chapter member injures another, there is no 3rd party exclusion and the insurance would cover the accident unless one chapter member while in the act of volunteering for the chapter injures another member who at the time of the accident was also volunteering; then it would not. If a chapter member, while volunteering, injures another chapter member or anyone else that was not volunteering, the policy would cover the accident. This exclusion does not apply to AAW members, neither under the individual AAW member insurance nor under the AAW Group Plan for chapters.

f. Will my chapter be able to obtain an ACORD certificate if required by the landlord or facility hosting the location used for chapter meetings and events?

Yes.

g. Does this policy insure our demonstrators?

It depends. The policy does insure any chapter member who is volunteering on behalf of the chapter (note the exclusions cited above in section “e”). There are several unique scenarios that need to be considered to determine whether a demonstrator who is not a member of the chapter would be insured:

Your demonstrators **are insured** if:

- i. They are AAW members in good standing; or,*
- ii. They are chapter members (and not AAW members) and they are volunteering their time; or,*
- iii. They are neither an AAW member nor a chapter member and they are only volunteering their time (they are not covered if they receive compensation for their time); or,*
- iv. Through no fault or negligence of their own, they are named in a lawsuit filed against the chapter – whether or not they are being compensated in return for their services.*

Your demonstrators **are not insured** if:

- v. They are receiving compensation for their services; or,*
- vi. They are neither an AAW member nor a chapter member and they receive compensation in return for their services while demonstrating and are named in a lawsuit arising out of a claim of negligence on their part.*

Your demonstrators **may be** insured if:

vii. While demonstrating, they cause harm or injury to another member who is also volunteering in an official capacity on behalf of the club.

h. Will this coverage protect me if I conduct official chapter business in my home?

Yes. This policy does not exclude private residences as long as the event or activity is officially sanctioned by the chapter.

j. How do we obtain an ACORD Insurance Certificate?

Contact the insurance agency direct at:

AMJ Insurance, Inc.
1.888.258.6820 ext. 172

If any circumstance arises where it is necessary to file an insurance claim, even if there is any uncertainty or doubt about whether a claim is justifiable, contact the AAW immediately at (877) 595-9094 toll free.

(C) The Canadian Plan

With the assistance of Canadian Insurance Brokers Inc., the Society of Canadian Woodworkers has been able to source a policy which covers the varying needs of the chapters across Canada. With various substantial differences in how Canada treats insurance laws the main goal has been to secure insurance that uniquely addresses the needs of Canadian chapters of AAW. At considerable savings, the Canadian Plan bundles together \$2 million of General Liability coverage as well as \$2 million Director and Officers liability. There is an optional offer of \$5 million liability for an additional \$100 per year per guild/club for those who may require this higher value to satisfy premises rentals.

The insurance also includes standard \$10,000 for equipment coverage, but this too can be increased to satisfy great value of equipment on site.

The Canadian Plan is administered separately from AAW and more information can be obtained by contacting Colleen Samilla, President of the Canadian Woodworkers Association. Information is also available through the CWA website: www.candian-woodworkers.com.

GENERAL QUESTIONS ABOUT THE AAW INSURANCE PROGRAMS

1) Why does my chapter need general liability insurance?

Chapter general liability insurance protects the chapter as a separate entity if there is a claim made because of an accident, injury or property damage result from chapter-sanctioned activities. Having general liability insurance also makes it possible for a chapter to present a meeting space host or landlord with proof of insurance.

2) Is AAW member coverage and chapter coverage the same thing?

No. AAW members are individually insured when they are performing AAW sanctioned business and when they are performing chapter sanctioned business. This comes as a benefit of paying the AAW membership dues, irrespective of any insurance option selected by the chapter. And AAW members are insured whether or not they receive compensation for their services, as for example, an AAW member who is paid for demonstrating for another AAW chapter other than their own.

3) What are the main differences between the Group Plan and the Private Plan?

First, the Private Plan affords three distinct features compared with the Group Plan:

- 1) It carries twice the level of the insurance limits per occurrence and in aggregate (\$2M/\$4M);
- 2) It insures chapter activities undertaken in private residences;
- 3) It offers the opportunity to purchase separate chapter property hazard insurance coverage at highly competitive rates.

However, the Private Plan cannot be sold in Canada, Alaska, Hawaii, or Puerto Rico. The Group Plan does insure chapters in the United States, Canada, Alaska, Hawaii, and Puerto Rico.

Both the AAW Group Plan and the Private Policy do insure volunteer workers who are performing the business of the chapter. This means that under both policies, anyone, AAW

member status notwithstanding, is insured when volunteering to perform the business of the chapter.

4) What if our chapter chooses not to purchase either of the two AAW insurance alternatives?

Chapters retain the option of selecting their own general liability insurance. Each chapter may independently purchase a general liability policy on their own; there is no requirement to purchase from either of the two new alternatives that the AAW offers exclusively to chapters. It is not recommended that any AAW chapter choose not to obtain this insurance. Not having any general liability insurance protection does expose the chapters to financial risk if a claim is made due to any accident or injury.

5) Can our chapter make the \$95 contribution toward the Group Plan, and also purchase the Private Plan to improve our coverage?

Yes.

6) All of this information relates to “general liability” insurance coverage. What is not included in a general liability policy?

General liability insurance provides protection against claims and lawsuits because of "bodily injury," "property damage," or "personal and advertising injury." The insurance company has the right and duty to defend the insured against any "suit" or claim.

The following types of insurance can be purchased separately and are not included as part of the AAW GL insurance programs; nor were they ever previously included in the AAW GL insurance plan:

- 1) Business Owners Liability Policy.** This is liability insurance with similar features to what the AAW offers, but it is intended for individuals who are professionals and are compensated for their services. Typically this policy would be purchased by individuals or businesses that are formally organized as a corporation, sole proprietor, LLC, or other formal business entity.
- 2) Directors and Officers Liability Insurance (often called D&O).** This is liability insurance payable to the directors and officers of a company, or to the organization itself, or to a chapter as indemnification for losses as a result of a legal action

(whether criminal, civil, or administrative) brought for alleged wrongful acts in their capacity as directors and officers.

3) Business Personal Property Coverage (and Property Owned by Others). This provides coverage for shop equipment, furniture, fixtures, merchandise, materials and all other personal property owned by individuals or clubs and used in your business. Coverage is at replacement cost. Property Owned by Others protects against loss or damage to the property of others that is in your possession at a job site or on your premises. This coverage would respond to claims for accidental damage to customer equipment in your care, custody or control.

7) Who do I contact to receive my chapter's ACORD insurance certificate form?

ACORD insurance certificates (proof of chapter insurance) are issued by the respective insurance agents. Here is the contact information to receive certificates:

AAW Group Plan
Roehrs & Company, Inc.
PO Box 100 Exton, PA 19341
P: 888.467.3557
F: 610.363.5231
www.roehrs.com

AAW Private Plan
AMJ Insurance, Inc.
7150 Winton Dr., Suite 300
Indianapolis, IN 46268
P: 888.258.6820
www.AssociationMembersInsurance.org

Canadian Plan
Canadian Insurance Brokers, Inc.
Colleen Samila, President CWA
(t) 905.640.4085
www.canadian-woodworkers.com