

Commercial Risk Summary – Associations



YOUTH GROUPS

Category: Associations

SIC CODE: 8322 Individual and Family Social Services

NAICS CODE: 624110 Child and Youth Services

713940 Fitness and Recreational Sports Centers

Suggested ISO General Liability Codes: 49890, 49891

Suggested Workers Compensation Codes: 9063, 9015

Description of operations: Youth groups and associations offer a wide range of facilities for physical fitness activities, such as swimming, dance and exercise; weight rooms; cardiovascular equipment; rock climbing walls; educational classes; and team sports for youth. In some cases, counseling services and board and room facilities are available. Special events, such as birthday parties or youth "lock ins," may be available to the general public. Many youth groups or associations offer educational classes and activities, including both day and overnight camp functions.

Many groups or associations are nonprofit organizations. Labor may be voluntary or paid. Funding is through donations, fundraisers, membership fees and fee-for-use. Geographic exposure is usually local, but the youth group may be affiliated with a regional or nationwide parent organization.

Property exposure includes multiple sources of ignition such as electrical wiring, heating and cooking equipment. Electrical wiring must be up to code for its current use. If there is cooking, the kitchen must be set up with appropriate controls. Smoking should not be permitted on premises. Fire extinguishers must be conveniently placed throughout the facility. Housekeeping must be excellent with regular trash pickup. Adult supervision is required for all activities for children and youth. Liquids used to maintain floors and chemicals used for the pool are flammable and should be stored safely away from combustibles. The facility may be a target for vandalism and theft, particularly if it is not occupied on a regular basis. Daily visits must be made to check on its condition.

Crime exposure comes from employee dishonesty and theft of money and securities. Coverage should be expanded to include faithful performance and volunteers and committee members. Precautions include background screening, inventory monitoring, control of the cash register, and division of duties between persons handling money and reconciling bank statements. Two employees or volunteers should verify cash collections as registrations for camps or classes and admissions to fund-raising events may result in a large buildup of cash. Money should be regularly collected and moved away from the collection area, preferably to a safe.

Inland marine exposure includes accounts receivable for receipt of dues and promised donations; computers for grant documentation and individual training programs; and valuable papers and records for donation lists, membership records, and bylaws. All papers, records and electronic data should be duplicated and a copy stored off site for easy restoration in the event of a loss. A miscellaneous floater may be needed for equipment that is taken to other off-site facilities.

Premises liability exposure is high due to the large numbers of visitors on premises and their participation in physical activity. Visitors may slip, trip, or fall; be injured while participating in athletic activities or while using athletic equipment; or may drown in swimming pools. Public and life safety code compliance is very important. Adequate lighting, marked exits and egress are mandatory. Steps must

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have rails, be well-lit, marked, and well maintained. All exercise equipment should be tested and maintained regularly with documentation. Training information must be clearly marked for all users. Age restrictions should be posted and enforced. Swimming pools should be fenced, with a self-closing gate and depths clearly marked. Drains should be protected to prevent entrapment. Pool rules should be prominently displayed. A lifeguard should be on duty when the pool is open. Life saving equipment should be accessible at all times. Playground equipment must be properly maintained and documented. Workers should be trained in emergency response, particularly in responding to heart attacks and drowning. There must be adequate security at the facility, including inside the building, corridors, and any owned parking area. Criminal background checks should be conducted for any employee supervising children or youth. Camps and overnights must be fully staffed and supervised. The youth center may present an attractive nuisance hazard after hours. There must be adequate security to prevent unauthorized entry. Personal injury exposures include allegations of assault or battery, discrimination, and invasion of privacy.

Abuse and molestation exposure is very high due to activities being focused on children. No coverage is available to the abuser. While there is some coverage available in the standard market for the youth group where the abuse takes place, it may be very restricted. More complete coverage should be purchased through specialized markets. The youth group must take all possible care to protect children from predatory adults and older children through criminal background checks, training, monitoring and supervision, and reporting all allegations of abuse to the proper authorities. The more vulnerable the potential victim, the more vigilant the youth group must be.

Directors and officers exposure is moderate. Policies and procedures should be published and consistently followed, especially as they relate to membership, membership revocation, election of officers, and removal of officers.

Automobile liability exposure may be limited to hired and nonownership or could include bus transport, particularly of sport teams or children attending camps. If there are owned vehicles, all drivers must have the appropriate license for the vehicle being driven. If children are being transported, an additional adult for supervision is helpful. Vehicles must be maintained with records kept in a central location. Clear criteria should be established as to who can drive vehicles and under what circumstances. MVRs should be obtained for all drivers who regularly transport youth.

Workers compensation exposure includes clerical workers who may develop repetitive motion injuries such as carpal tunnel syndrome; fitness trainers who may be injured while participating in athletic activities or while using equipment; lifeguards who may slip on wet surfaces or be injured by flailing swimmer; and child care workers. If there is a concession stand, workers can experience cuts or burns. Custodians can develop respiratory ailments or contact dermatitis from working with chemicals to maintain the pool and the floors. Heavy lifting may be involved and training is necessary to prevent lifting injuries, such as sprains, strains and hernias. Camp ground and overnight activities may be conducted on uneven terrains, resulting in slips, trips or falls. There is also the exposure to contagious disease or injury from contact with campers, insects or animals.

Minimum recommended coverage:

Business Personal Property, Employee Dishonesty, Money and Securities, Accounts Receivable, Computers, Miscellaneous Floater, Valuable Papers and Records, General Liability, Employee Benefits, Directors and Officers Liability, Umbrella, Hired and Nonownership Auto, Workers Compensation

Other coverages to consider:

Building, Business Income and Extra Expense, Earthquake, Flood, Spoilage, Computer Fraud, Forgery, Cyber Liability, Employment-related Practices, Business Auto Liability and Physical Damage, Stop Gap Liability

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Agent: The coverages listed below are suggested for consideration for associations. After evaluating each of the listed coverages, check the recommended blank by those that apply specifically to this client. Make sure both the exposure and the coverage are explained to the client.

Client: For each of the coverages that the agent has recommended, initial whether you have chosen to accept or reject that coverage in the blanks provided.

PROPERTY COVERAGES

	Recommend	Accept	Reject	Not Applicable
Building and Personal Property Coverage Form				
Building	_____	_____	_____	_____
Business Personal Property	_____	_____	_____	_____
Personal Property of Others	_____	_____	_____	_____
Improvements and Betterments	_____	_____	_____	_____
Building and Personal Property Coinsurance				
Percentages None 80% 90% 100%	_____	_____	_____	_____
Bldg _____	_____	_____	_____	_____
BPP _____	_____	_____	_____	_____
PPO _____	_____	_____	_____	_____
I&B _____	_____	_____	_____	_____

Alternatives to Coinsurance

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Agreed Value	_____	_____	_____	_____
Functional Replacement Cost	_____	_____	_____	_____
Peak Season	_____	_____	_____	_____
Reporting Form	_____	_____	_____	_____
Other _____	_____	_____	_____	_____

Optional Property Coverage Forms

Builders Risk	_____	_____	_____	_____
Commercial or Manufacturers Output Policy	_____	_____	_____	_____
Condominium-Association Coverage	_____	_____	_____	_____
Condominium-Unit-owners Coverage	_____	_____	_____	_____
Equipment Breakdown	_____	_____	_____	_____
Legal Liability	_____	_____	_____	_____
Standard Property Policy	_____	_____	_____	_____

Optional Property Endorsements

Additional Debris Removal	_____	_____	_____	_____
Ordinance or Law	_____	_____	_____	_____
Outdoor Trees, Shrubs and Plants Enhancement	_____	_____	_____	_____
Replacement Cost Valuation	_____	_____	_____	_____

Commercial Risk Checklist – Associations

Spoilage	_____	_____	_____	_____
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Utility Services-Direct Damage	_____	_____	_____	_____
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Other Property Options

	_____	_____	_____	_____
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	_____	_____	_____	_____
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	_____	_____	_____	_____
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TIME ELEMENT COVERAGES

	Recommend	Accept	Reject	Not Applicable
Business Income With Extra Expense Coinsurance Percentage ____	_____	_____	_____	_____
Business Income Without Extra Expense Coinsurance Percentage ____	_____	_____	_____	_____
Extra Expense	_____	_____	_____	_____
Leasehold Interest	_____	_____	_____	_____
<i>Alternatives to Coinsurance</i>	_____	_____	_____	_____
Agreed Value	_____	_____	_____	_____
Maximum Period of Indemnity	_____	_____	_____	_____
Monthly Limit of Indemnity	_____	_____	_____	_____

Commercial Risk Checklist – Associations

Premium Adjustment	_____	_____	_____	_____
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Optional Time Element Endorsements

Business Income from Dependent Properties	_____	_____	_____	_____
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Ordinance or Law Increased Period of Restoration	_____	_____	_____	_____
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Utility Services	_____	_____	_____	_____
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Other Time Element Coverages

	_____	_____	_____	_____
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	_____	_____	_____	_____
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	_____	_____	_____	_____
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PROPERTY AND TIME ELEMENT CAUSES OF LOSS

		Recommend	Accept	Reject	Not Applicable
Bldg BPP PPO BI EE					
Basic	_____ _____ _____ _____ _____	_____	_____	_____	_____
Broad	_____ _____ _____ _____ _____	_____	_____	_____	_____
Special	_____ _____ _____ _____ _____	_____	_____	_____	_____
Earthquake	_____ _____ _____ _____ _____	_____	_____	_____	_____

Commercial Risk Checklist – Associations

Flood	___	___	___	___	___	___	___	___
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Other Cause of Loss Endorsements

	___	___	___	___	___	___	___	___
	___	___	___	___	___	___	___	___
	___	___	___	___	___	___	___	___

INLAND MARINE COVERAGES

	Recommend	Accept	Reject	Not Applicable
Accounts Receivable	___	___	___	___
Commercial Articles	___	___	___	___
Contractors Equipment	___	___	___	___
Difference In Conditions – DIC	___	___	___	___
Electronic Data Processing	___	___	___	___
Equipment Dealers	___	___	___	___
Fine Arts	___	___	___	___
Goods in Transit	___	___	___	___
Signs (Neon and Electric)	___	___	___	___
Valuable Papers and Records	___	___	___	___

Commercial Risk Checklist – Associations

Other Inland Marine Coverages

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

CRIME COVERAGES

	Recommend	Accept	Reject	Not Applicable
Money, Securities and Other Property				
Employee Dishonesty	_____	_____	_____	_____
Including Customer's Goods	_____	_____	_____	_____
Computer Fraud	_____	_____	_____	_____
Destruction of Electronic Data or Programs	_____	_____	_____	_____
Extortion	_____	_____	_____	_____
Forgery or Alterations	_____	_____	_____	_____
Identity Fraud Expense	_____	_____	_____	_____
Lessees of Safe Deposit Boxes (Securities and Other Property only)	_____	_____	_____	_____
Money and/or Securities Only				
Theft, Disappearance and Destruction	_____	_____	_____	_____

Commercial Risk Checklist – Associations

Robbery and Safe Burglary	_____	_____	_____	_____
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Securities Deposited With Others	_____	_____	_____	_____
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Property other than Money and Securities

Premises Burglary	_____	_____	_____	_____
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Premises Theft	_____	_____	_____	_____
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Robbery and Safe Burglary	_____	_____	_____	_____
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Other Crime Coverages

_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
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_____	_____	_____	_____	_____
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LIABILITY COVERAGES

	Recommend	Accept	Reject	Not Applicable
Commercial General Liability				
Occurrence Basis	_____	_____	_____	_____
Claims-Made Basis	_____	_____	_____	_____

Optional Liability Coverages

Commercial Risk Checklist – Associations

Cyber Liability	_____	_____	_____	_____
Directors and Officers	_____	_____	_____	_____
Employee Benefits	_____	_____	_____	_____
Employment-related Practices	_____	_____	_____	_____
Liquor	_____	_____	_____	_____
Owners and Contractors Protective	_____	_____	_____	_____
Railroad Protective	_____	_____	_____	_____
Special Events	_____	_____	_____	_____

Other Liability Coverages

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

BUSINESS OWNERS POLICY

_____	_____	_____	_____
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PROFESSIONAL AND E&O LIABILITY COVERAGES

_____	_____	_____	_____
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COMMERCIAL AUTO COVERAGES

Recommend Accept Reject Not Applicable

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Liability	_____	_____	_____	_____
Physical Damage	_____	_____	_____	_____
Hired Cars	_____	_____	_____	_____
Non-Ownership Auto	_____	_____	_____	_____
P.I.P./No-Fault	_____	_____	_____	_____

Optional Automobile Coverages

Garagekeepers	_____	_____	_____	_____
Medical Payments	_____	_____	_____	_____
Uninsured Motorists	_____	_____	_____	_____
Underinsured Motorist	_____	_____	_____	_____

Other Auto Coverages

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

WORKERS COMPENSATION COVERAGES

Recommend Accept Reject Not Applicable

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Workers Compensation and Employers Liability	_____	_____	_____	_____
Stop Gap or Employers Liability Coverage	_____	_____	_____	_____
Federal Employers Liability Act	_____	_____	_____	_____
Longshore and Harbor Workers Coverage	_____	_____	_____	_____
Voluntary Compensation	_____	_____	_____	_____

Other Workers Compensation Endorsements

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

EXCESS LIABILITY COVERAGES

	Recommend	Accept	Reject	Not Applicable
Umbrella Policy	_____	_____	_____	_____
Excess Liability Policy	_____	_____	_____	_____

AVIATION COVERAGES

Aircraft Policy	_____	_____	_____	_____
Passenger Liability	_____	_____	_____	_____

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SPECIALTY COVERAGES

Electronic Data Liability	_____	_____	_____	_____
Environmental Impairment Liability Policy	_____	_____	_____	_____
Fiduciary Liability Insurance	_____	_____	_____	_____
International/Foreign Operations Insurance	_____	_____	_____	_____
Media/Communication Liability	_____	_____	_____	_____
Rain or Weather Insurance	_____	_____	_____	_____
Terrorism Insurance	_____	_____	_____	_____
Underground Storage Tank Liability – UST	_____	_____	_____	_____

Other Specialty Coverages

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

BONDS

License and Permit Bond	_____	_____	_____	_____
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Other Bonds

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Commercial Risk Checklist – Associations

OTHER OPTIONS

Comments

I certify that I have reviewed my coverage needs in accordance with this checklist with my agent and I have accepted or rejected the recommended coverages as indicated by my initials in the spaces above.

_____ Signature of Client _____ Date

_____ Title

I certify that I have reviewed the coverages outlined in this checklist with my client and that the initials of the client indicate the acceptance or rejection of the coverages recommended.

_____ Signature of Agent _____ Date