

Resolving the Insurance Dilemma

WOODTURNER'S CHATTER, NEWS, & NOTES

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American Association of Woodturners

AAW's Liability Insurance

Another great benefit of being a member

By John Buso and John Hill

I have pondered whether I would rather shop for liability insurance or a new water heater. The heater won.

The AAW has taken this burden off our shoulders and supplied all its chapters and members with a great liability insurance policy from a great company, USF&G. It has an excellent rating from A.M. Best Company and is in the highest financial size category.

The AAW Liability Insurance Advisory Committee, which is composed of three AAW members who are attorneys specializing in insurance litigation matters, has reviewed the AAW policy. They have concluded and have advised the AAW Board of Directors that our policy is appropriate for our organization.

Each year, the AAW office obtains certificates of liability insurance for each AAW chapter, identifying the chapter as an additional insured under the policy that provides both commercial general liability and tenant legal liability. The certificate is the standard one-page "ACORD" form that usually is acceptable to an organization or public or private facility that hosts a chapter meeting or woodturning event.



Photo: Bob Hawks

At chapter events like this Oklahoma State Fair demonstration by the Northeastern Oklahoma Woodturners Association, the AAW liability policy covers the chapter and AAW members. The AAW policy doesn't extend to local chapter members who aren't AAW members. The photo was shot through the chapter's large plastic shield used at all public demonstrations.

AAW members covered

Although the policy contains the usual definitions and exclusions that one would anticipate in an insurance policy of any kind, it includes an endorsement that expands the scope of its coverage to all AAW members. The precise language of the endorsement adds to the definition of an insured: "any of your members, but only with respect to that member's liability for your activities, or

activities performed by that member on your behalf."

To put this in plain language, the policy covers each chapter and each AAW member, so long as they are performing chapter-approved activities. Note that chapter members who are not AAW members, are neither covered nor protected by the policy. Members are not covered for their own private activities.

For residents of the United States, its territories, and Canada, the activities can be anywhere in the world. For members whose residence is outside the United States and its territories and Canada, the activities covered are limited to those activities in the United States and its territories and Canada.

Recently, in response to an inquiry by Bill Small, president of the Bay Area Woodturners, our insurance agent provided written responses to several questions which have been frequently asked over the years. These responses are encouraging regarding member issues.

The responses were forwarded to each AAW chapter contact and, through the chapters, made available to most of the AAW membership.

Chapter activities

You do not need to notify the AAW office about each scheduled meeting, demonstration, "sawdust session," or workshop. Whenever a member or group of members is conducting an activity other than a normal chapter meeting—for example, a mall demonstration—it is a good idea to create a paper trail where a letter or email is sent between the members involved and the chapter, confirming that the event is a chapter-sponsored activity.

If the mall landlord or owner of your meeting place asks for a certificate of insurance, give him or her a copy of the certificate of liability insurance provided to each chapter. The certificate identifies the chapter as an additional insured. If the landlord requires that he or she be named for a specific event, contact the AAW office and provide the exact entity name requested. Also provide the AAW with the event address and the dates covered.

The AAW policy has two parts. The first is the commercial general liability, which insures and protects the chapters and AAW members in the event that a person is hurt or killed as a result of the actions of a chapter or AAW member. The limits of this liability are \$1,000,000 per occurrence and \$2,000,000 aggregate per year.

The second part is tenant legal

The activities of the AAW, its chapters, and its members are covered and the policy makes no distinction between demonstrations and hands-on sessions.

liability, which is liability coverage for damage to property you are using for your meetings whether leased or donated. The coverage applies only to the number of square feet you use and only if you are legally liable for a fire, for instance. The limit of this coverage is \$300,000. There is no deductible. In addition, the policy provides \$10,000 for incidental medical and is paid without determining liability to discourage lawsuits. The policy does not insure for personal injury, which is injury other than bodily injury and excludes libel and slander.

Many members have asked a myriad of hypothetical "what if" questions. In replying to these questions, the agent reminds us that each situation presents unique circumstances. The answers he provides give us a general overview of the coverage. Needless to say, the language of the policy is controlling.

We have received a number of questions about mini-

symposiums. If they are functions of AAW chapters, they are covered. If they are put on by a separate organization, they are not. Likewise, we have had a lot of questions about "hands-on" workshops. The activities of the AAW, its chapters, and its members are covered and the policy makes no distinction between demonstrations and hands-on sessions.

To date, no claims

Since obtaining insurance in 1992, the AAW has never had a claim on our policy. This fact alone should serve as a strong reminder of the importance of exercising the highest safety practices during association activities. An appreciation of the risks involved in woodturning and the steps taken to protect ourselves and our spectators provide the best insurance against injury.

This liability insurance is furnished as a service to the members of the AAW and to its chapters. If each chapter had to negotiate its own insurance policy, the time and cost would be substantial. Though not required, many chapters make contributions to the AAW to help defer the cost of premiums and certificates of liability insurance.

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