



U.S. Rotary Club & District Liability Insurance Program Directors & Officers/Employment Practices Liability Insurance Summary

The U.S. Rotary Club & District Liability Insurance Program (Program) provides directors & officers/employment practices liability (D&O/EPL) insurance to active U.S. Rotary clubs and districts effective 1 January 2010. Below is an overview of the D&O/EPL insurance provided by the Program. ***Nothing in this document shall be construed to extend, alter, vary, or waive any of the provisions of the policy.***

Directors & Officers Liability (D&O) insurance provides coverage for claims made against club/district directors and officers that result from their activities, such as managing the financial affairs of and establishing policies for the organization. D&O insurance protects the club/district as an organization and each director and officer individually against claims/lawsuits arising out of alleged wrongful acts committed in good faith, subject to policy terms and conditions.

Employment Practices Liability (EPL) insurance provides coverage for claims arising out of club/district employment related practices, such as sexual harassment, wrongful dismissal or termination of employment/membership, violation of employment discrimination laws (including workplace harassment), wrongful failure to employ or promote, or employment-related wrongful infliction of emotional distress, subject to policy terms and conditions.

Note: Rotary club members are added to the definition of an employee

COVERAGE QUESTIONS: If you have coverage questions, please contact:

Lockton

Phone: (800) 921-3172

Fax: (312) 681-6769

Email: rotary@lockton.com

INSURANCE INFORMATION PORTAL: For information about the Program, please visit: www.locktonportal.com/sites/rotary/resources. Please contact Lockton or RI Risk Management for user name and password to access the Portal.

OBTAINING COVERAGE: Program coverage is automatic for all existing Named Insured entities. Any entities created after 1 January 2010 with assets of \$2,000,000 or above must be reported to RI Risk Management at insurance@rotary.org within 30 days of creation in order to be eligible for coverage.

LIMITS:

\$ 2,000,000 per Claim

\$ 20,000,000 Aggregate

\$ 25,000 Deductible (the deductible is paid for by the assessments collected from U.S. Rotarians)

COVERAGE TERRITORY: Worldwide, where legally permissible.

NAMED INSURED ENTITIES: The following Rotary organizations in the U.S. and its territories and possessions are named insureds under the Program:

- Rotary clubs (including newly chartered Rotary clubs)
- Rotary districts
- Rotary club foundations*
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- Interact and Rotaract clubs
- Rotary Community Corps
- Certified youth exchange organizations (certified by Rotary International)
- RYLA (Rotary Youth Leadership Awards)
- President-elect training seminar organizations (including multi-district organizations).

Insureds include any past, present or future director, trustee, officer, employee or volunteer of the Named Insured Entities, or any member of the staff, faculty or duly constituted committee of the Named Insured Entities.

* In order for a Rotary club foundation or Rotary district foundation to be covered as a Named Insured Entity, it must meet all of the following criteria:

- Be 100% controlled by a U.S. Rotary club or district
- All of its principals, officers, and board members must be Rotary club members, other than honorary
- Be income tax exempt under section 501(c)(3) of the Internal Revenue Code
- Operate with the sole purpose of raising funds and giving monetary grants to other charitable organizations and/or individuals
- Does not operate programs, charitable or otherwise

ENTITIES NOT INSURED: Below are some of the organizations that are not insured under the Program:

- Provisional Rotary clubs
- Fellowship organizations
- Rotary Action Groups
- Inner Wheel organizations
- Gift of Life organizations
- Youthact, Earlyact or similar organizations
- Youth exchange organizations not certified by Rotary International
- Other entities created by insureds (other than the organizations listed under Named Insured)

CLAIM REPORTING: Clubs/districts must provide written notice *immediately* to RI Risk Management of any D&O or EPL claim of an alleged Wrongful Act made against the club/district. Timely reporting will ensure the claim is not denied based on late reporting and it allows for proper investigation and/or defense. Claim forms can be found on the Insurance Information Portal and should be submitted to RI Risk Management by e-mail to insurance@rotary.org or by fax to (847) 556-2147.

NOTE: DO NOT admit liability or suggest compensation will be offered. Do not try to handle the claim without the assistance of the insurance company. You could jeopardize coverage if you assume any obligation or offer, agree to any settlement, or pay any legal or medical costs.

COVERAGE FOR INSUREDS WITHOUT D&O/EPL INSURANCE PRIOR TO 1 JANUARY 2010:

There is no coverage under the Program for claims that arise from alleged Wrongful Acts committed prior to 1 January 2010 for those Named Insureds without D&O/EPL policy prior to 1 January 2010.

COVERAGE FOR INSUREDS WITH D&O/EPL INSURANCE PRIOR TO 1 JANUARY 2010:

There **may** or **may not** be coverage under the Program for claims that arise from alleged Wrongful Acts that took place prior to 1 January 2010:

- **Coverage for D&O/EPL Claims Arising from Alleged Wrongful Acts Prior to 1 January 2010:**
 - **Known Claims of Alleged Wrongful Acts:** The Program **does not** cover any D&O/EPL claims that arise from alleged Wrongful Acts committed **prior to 1 January 2010** that were **known** to the insured. This includes any act, error, omission, fact, or circumstance that the insured could have known that might give rise to a claim at the time of policy inception.
 - **Unknown Claims of Alleged Wrongful Acts:** The Program covers D&O/EPL claims that arise from alleged Wrongful Acts committed prior to 1 January 2010 that were unknown to the insured as of 1 January 2010.

DEFINITIONS: See the D&O/EPL policies for a complete list of definitions.

D&O Claim: Includes any of the following actions against any Insured for a Wrongful Act:

- A written demand for monetary or non-monetary or injunctive relief commenced by the Insured's receipt of such demand, including written demand that the Insured toll or waive a statute of limitations
- A civil proceeding commenced by the service of a complaint or similar pleading
- A criminal proceeding commenced by a return of an indictment, information or similar document
- An administrative or regulatory proceeding commenced by the filing of a notice of charges or similar document
- A civil, criminal, administrative or regulatory investigation commenced by the service upon or other receipt by the Insured Person of a target letter or other written notice from the investigating authority identifying by name the Insured Person as an individual against whom a proceeding may be commenced
- An official request for the Extradition or the execution of a warrant for the arrest of any Insured Person where such execution is an element of Extradition
- An arbitration or mediation proceeding against any Insured.

Employment Practices Claim: A claim brought and maintained against an Insured for any Wrongful Act in connection with any actual or alleged:

- Breach of any express or implied employment contract
- Violation of any law or public policy concerning discrimination in employment whether based upon race, national origin, religion, sex, age, sexual preference, marital status, disability, medical leave or genetic predisposition
- Employment-related events including without limitation wrongful termination, failure or refusal to hire or promote; wrongful discipline; wrongful reference, deprivation of career opportunity, demotion or adverse change in terms, conditions or status of employment; wrongful failure to grant tenure; humiliation; retaliation for asserting a legal right; workplace harassment; negligent hiring, retention, supervision, training or performance evaluation; and employment-related misinterpretation, defamation, invasion of privacy or infliction of emotional distress.

Insureds: Any one or more Insured Persons and the Named Insured Entity.

Insured Persons: Any one or more past, present or future director, trustee, governor, manager, officer, employee (club members and volunteers are included in the definition of an employee), or member of duly constituted committee or board of the Named Insured Entity.

Wrongful Act: Any error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted by any of the Insured Persons, individually or otherwise, in their capacity as such, or by the Named Insured Entity; or any matter claimed against them solely by reason of their serving in such capacity for the Named Insured Entity.

EXCLUSIONS: See the D&O/EPL policies for a complete list of exclusions.

- Losses brought or maintained by or on behalf of the Named Insured Entity or any Insured Person in any capacity
- Any deliberately fraudulent act or omission or any willful violation of any statute or regulation committed by such Insured, if a judgment or other final adjudication adverse to such Insured establishes such a deliberately fraudulent act or omission or willful violation
- Losses arising out of, or attributable to such Insured gaining in fact any personal profit, remuneration or advantage to which such Insured was not legally entitled
- Losses arising out of a circumstance or situation which has been the subject of any written notice given under previous D&O/EPL insurance policies
- Losses arising out of any demand, suit or proceeding pending, or order, decree or judgment entered against any Insured person on or prior to the retroactive date
- Losses arising from service by an Insured Person in any position or capacity in another organization, even if the Named Insured Entity requested an Insured Person to serve in another position or capacity
- An alleged infringement of copyright, patent, trademark, trade name, trade dress or service mark or misappropriation of ideas or trade secrets
- Losses arising out of rendering or failing to render any service to a customer or client or any fee or other compensation actually or allegedly paid or payable for such services.

Note: Please review the insurance policy posted on the ***Insurance Information Portal*** for more information about the terms and conditions of coverage.

EMPLOYMENT PRACTICES HOTLINE: The insurance company offers telephone consultation services with attorneys to assist in employment related issues. The toll free number is (866) 758-6874.

HR CARE SERVICES: HR Care is an online website that provides resources on employment related matters. Please visit www.hrcare.com/zurich

Username: zurichus **Password:** racecar

Note: Make sure to read and check the “Accept Terms” box.

INSURANCE ASSESSMENT: Assessments are allocated annually to all insured U.S. Rotary clubs through the Semi-Annual Report. Please see the **Letter to Insureds** for the current rate.

OBTAINING A COPY OF INSURANCE POLICIES: A copy of the D&O/EPL insurance policies is available on the **Insurance Information Portal**. Policies are for the sole use of the Named Insured Entities and are not to be distributed outside of Rotary.

RI RISK MANAGEMENT

Rotary International
Attn: Risk Management
1560 Sherman Avenue
Evanston, Illinois 60201-3698
Fax: (847) 556-2147
Email: insurance@rotary.org

RI RISK MANAGEMENT STAFF

Scott Meise
Sr. Risk Management Analyst
(847) 424-5245

Julita Brzozowska
Assistant Risk Manager
(847) 424-5394

Jodi Steel
Risk Manager
(847) 866-3125