

RMFMS CLUB LIABILITY INSURANCE POLICY INFORMATION

WHAT KIND OF INSURANCE POLICY IS IT? The policy is a general liability policy.

WHO IS COVERED? The RMFMS and every member club in the RMFMS is also a named insured,

WHO PAYS FOR THE POLICY? The clubs who desire to carry the coverage are charged a pro-rated amount based on the number of members they report. For 2012, the amount was \$.65 per member in addition to the \$1.50 fee for dues.

WHAT TYPE OF INCIDENTS WOULD BE COVERED? Third-party claims against the named insured for bodily injury; property damage to third parties by non-members; professional liability; fire legal liability damage to rented areas; products and completed operations; personal and advertising injury; unintentional assault, slander and liable, all are covered.

WHO WOULD BE A THIRD PARTY? A third party would be a visitor to your gem and mineral show or perhaps a contracted party.

WHO WOULD NOT BE A THIRD PARTY? Dealers and members or Fairgrounds employees who are covered by workman's comp insurance at your gem and mineral show would NOT be third parties, unless the club is found negligent. Guests on field trips or at meetings would usually NOT be considered third parties.

CAN YOU EXPLAIN THE TYPES OF INCIDENTS ABOVE, GIVING EXAMPLES?

Bodily injury - A visitor at your rock and gem show trips and falls on a covered extension cord that has been placed across the aisle and incurs injury. They could sue.

Property damage to third parties by members or non-members - A member or a visitor to your rock and gem show breaks a glass window at the library where you are holding the show; the library could sue.

Professional liability - A visitor to your rock and gem show brings a gemstone to the show and you are working the "mineral identification" booth. You identify the stone as a valuable opal. Then the visitor takes the opal to a jeweler who is a legal appraiser. The jeweler claims the opal is nothing but a piece of glass. The visitor can sue you for loss of value of the so-called opal.

Fire legal liability damage to rented areas the "rented to you clause") - Your club rents a Fairground show hall. If a fire occurs in that hall because of a bad coffee pot connection on your coffee pot, the Fairgrounds can sue the club.

Products and completed operations -The club produces grab bags for sale at their gem and mineral show, A visitor rips one open and gouges themselves on a staple. The visitor could sue.

The club leaves their club claims after digging there for two days. All holes are filled in. The site is left as it was when they arrived, A third party [hi-grader) comes in the next day and falls in what they claim was a hole and breaks their arm. They can sue, but the ruling would be that the club "completed their operation" and but the policy would cover if the club was found negligent.

Personal and advertising injury - The club chooses a theme for their show and names it "Rock Star." The club trademarks the name, A well-known recording artist watching over trademark infringement sues the club because the logo or name too closely resembles their trademark.

Unintentional assault, slander and liable - A third party comes to the club claim when club members are digging there. The third party gets so excited over the finds that someone in the club has to restrain him. He sues the club for assault.

WHAT DOES THE CLAIMANT HAVE TO PROVE? The claimant and their lawyers must prove negligence on the part of the club and or its members.

WHO DEFENDS THE CLUBS?

The insurance company provides the defense lawyers who defend the club and its members as part of the policy.

WHAT IS NOT COVERED BY THE RMFMS POLICY?

1) Actions by a club member against another club member are NOT covered. The club assumes that the members carry their own personal policy. A club member cannot sue the club (i.e.: you can't sue yourself

2) Major medical costs claimed by a third-party claimant would be covered if the club or club members were found negligent. Minor medical payments [No Fault Medical Payments, usually up to about \$5,000) may be paid by the policy.

3) Hired and non-owned liability coverage -This very expensive clause would cover a case where a club rented vans to go on a field trip, has an accident en route, and the owner of the vehicle they hit sues the club.

4) Accidental death and dismemberment activities policy - this clause could be purchased separately by the clubs. Because of cost RFMFS officers decided against it.

5) Directors and Officers liability - Some non-profits carry this type of policy to protect the personal assets of officers against large law suits, perhaps in the case of an embezzlement. If it were on this policy, it would only affect the board of RMFMS, not the boards of each club. Sometimes a volunteer's homeowner's policy will cover this "crime coverage & embezzlement." It would probably very expensive for RMFMS to add for each club's boards.

6) Sexual harassment liability - such insurance is very expensive and deemed unnecessary for rock clubs which consist mostly of adults.

WHO CARRIES THE POLICY? Presently, Philadelphia Indemnity Insurance carries the policy.

WHAT TYPE OF COVERAGE CAN A CLUB OBTAIN FOR SHOWS? A blanket coverage, "additional insured endorsement" [common risk endorsement for landlords], can be added for no charge to the club.

HOW MUCH COVERAGE IS PROVIDED? The policy provides the standard \$1 million per occurrence requested by most public venues, covering one event up to \$1 million. There is additional coverage for "aggregate occurrences" up to \$2 million.

IS THIS COVERAGE AVAILABLE FOR FIELD TRIPS? Yes. Property owners are often held responsible for injury incurred on their land and thus may require proof of this clause in a club's insurance policy. The blanket additional endorsement is available at no cost to any club requesting that type of coverage.

DOES THIS COVERAGE APPLY TO A LAPIDARY SHOP WHERE CLUB MEMBERS WORK ON STONES? Yes, if the owner of the lapidary shop is NOT a member of the club. The policy covers property damage but excludes, "Property you own, rent or occupy" and since the club member is a named insured on the general liability policy, it would not apply. Personal liability on a homeowner's policy should apply if an invitee from the club were to get hurt at a workshop. Any business endeavor is excluded by homeowner's insurance.

HOW DOES A CLUB OBTAIN THE COVERAGE?

Fill out form that is online at the RMFMS website:

([http : //www.rmfmts.org/pdf/RMFMSAdditionalNamedInsApp.pdf](http://www.rmfmts.org/pdf/RMFMSAdditionalNamedInsApp.pdf)) Send the completed form to the current RMFMS treasurer: Gene Maggard, RMFMS insurance representative, by mail or email.

Address: 8418 SE Hwy77 Leon, KS 67064 PHONE: 316.742.3746 Email: gandpmaggard@wildblue.net

The treasurer will send it on to the insurance company for completion. The insurance company will send the "Accord Form" that proves the club has coverage to your local show facility or to the show chairman or field trip property owner. Plan ahead. Please allow two months for this transaction.

WHAT HAPPENS IF A CLUB HAS TWO INSURANCE POLICIES IN EFFECT AND GETS SUED? The current WSMGS insurance provider, presently Philadelphia Indemnity Insurance will usually split the insurance claims when there are two policies.

WHAT SHOULD A CLUB DO IF THEY RECEIVE NOTICE OF A LAWSUIT? The club officers should notify Gene Maggard (address above) immediately.

WHAT STEPS CAN A WSMGS CLUB TAKE TO PROTECT THEMSELVES AND THE RMFMS FROM LAW SUITS?

1) Require that all field trip attendees be members.

2) Require that members sign liability releases.

In Wyoming, such releases usually hold up in court. Mine and property owners usually require liability releases to be signed. Each club should develop a standard release.

***[The above informational "White Paper"-RMFMS Club Liability Insurance Information-was provided to the RMFMS delegates attending the Sandy, UT RMFMS convention on May 18, 2013.]**

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