

**By Sandy Katulak (ATHA Insurance Liaison)**

Over the course of the last year I have received many questions regarding the insurance ATHA provides to its chapters. By request of the ATHA Board, I have briefly summarized below the insurance coverage provided to our organization.

**What does General Liability Insurance Cover?**

General liability insurance guards against claims of negligence. It protects the business (in this case ATHA), and its owner(s) or member(s) from financial loss when a 3<sup>rd</sup> party sues for negligence, including suits brought when a 3<sup>rd</sup> party slips and falls on the company premises or any temporary premises occupied by ATHA. If we did not have this insurance, the injured party could go after an individual(s) in the ATHA chapter. General liability insurance also includes the responsibility to provide an attorney to represent the company in court and to pay the claim if one is awarded. This coverage will cover ATHA up to the policy limit.

**For reference the General Liability limits are:**

|  |                                |
|--|--------------------------------|
| Each Occurrence:   | \$1,000,000                    |
| Damage to Rented Premises (each occurrence):   | \$ 300,000                     |
| Medical Expense (Any one person):  | \$ 10,000                      |
| Personal and Advertising Injury<br>(Liable, bodily injury, false arrest; misrepresenting<br>a manufacturer, etc.). | \$1,000,000                    |
| General Aggregate  | \$2,000,000 (per year maximum) |

**What does the Directors and Officers Liability Insurance Cover?**

D&O is liability insurance payable to the directors and officers of ATHA, or to the organization(s) itself, as indemnification (reimbursement) for losses or advancement of defense costs in the event an insured (ATHA officer) suffers such a loss as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers. Such coverage can extend to defense costs arising out of criminal and regulatory investigations/trials as well; in fact, often civil and criminal actions are brought against directors/officers simultaneously. This coverage will cover ATHA up to the policy limit.

**Who is covered by ATHA Insurance?**

ATHA chapters/guilds and their members are covered under the policy without having to be individually named. ATHA is the organization paying the premiums for the policy so they are the organization covered by insurance. Because individuals participating in ATHA activities are provided this insurance protection, **all participants in an ATHA chapter are required to join ATHA.** Joining ATHA protects an individual from claims of negligence up to the limits listed above. **If you are not a member of ATHA, you are not covered.**

**Are certificates of insurance required for each chapter event?**

A certificate of insurance is “proof of insurance” and used by the certificate holder to verify that ATHA has coverage before an ATHA group holds an event on their property. The certificate holder does not want to be held liable for any mishap that the ATHA organization might be responsible for. **It is in the best interest of the organization hosting the ATHA event to request a certificate of insurance.** But it is important to note that if an ATHA chapter does not request a certificate of insurance for an event, they are still covered under ATHA’s insurance. A certificate of insurance does not provide any additional coverage - - the coverage is provided in the policy.

- **As an example, here is an illustration of a potential scenario:** An ATHA chapter holds their monthly meetings in a church. The church has their own insurance and has requested proof of insurance from ATHA. If someone attending the ATHA function gets hurt, which coverage takes over? The church or ATHA? Why doesn’t the church’s insurance suffice? In other words, why is it necessary for coverage? The injured person will most likely sue both ATHA and the church. The courts would determine where the fault lies and thereby determine which insurance company would cover the claims.

**Are ATHA Chapters' events such as rug shows, demonstrations, etc. covered in addition to monthly meetings?** All ATHA events are covered. Most host companies (i.e. the place where the members meet) will request a certificate of insurance to prove that ATHA has insurance during the time the incident occurs.

**Are only ATHA members covered when attending ATHA events?** Yes, the insurance is to protect ATHA and its members. If someone else comes on the premises and is named in a suit as an individual, then that person would be looking to their personal liability such as under a personal homeowners policy and a personal excess liability/umbrella.

**What can Chapters do to ensure all of their members join ATHA?**

Chapters should join the ATHA organization and **require** all of their members to become ATHA members. This is for their protection. If a person was to sue someone who is not an ATHA member, that non-ATHA member would not be protected by ATHA insurance. **The insurance protects members only!**

**Term**

The current policy is renewed yearly and runs from January 1 of the current year through January 1 of the following year.