

To Insure or Not to Insure

Task Force on Insurance for
Southern California World Service (SCWS)

Assembly Presentation
November 20, 2021

History

Over many years, our members have reported that their meeting sites have been asking for Certificates of Insurance for general liability coverage. As the requests for insurance have increased, more meetings have approached the Southern California World Service (SCWS) Board to explore the possibility of SCWS, as an Area, purchasing an annual liability policy for the Area's meetings that request a Certificate of Insurance.

SCWS created an Area Insurance Thought Force to address this issue after our November, 2018 Assembly. The Thought Force subsequently recommended that SCWS create a Task Force (TF) to explore the issues further and to make recommendations to the Assembly, at a future date. This presentation contains those recommendations.

What do our Groups need?

- **General Liability Insurance that includes “Med Pay” Coverage.** General Liability policies may cover major personal injury, property damage, and Medical Payments for medical costs of minor accidents.
- A **Certificate of Insurance** is proof that the minimum liability coverage requested is provided and covers the Group.
- Most facilities require a minimum of \$1M of liability coverage per occurrence and \$2M “aggregate” (the most that will be paid per year). These figures are written as \$1M/\$2M or \$2M/\$2M.

Special Considerations for ALATEEN Meetings **in Schools**

- Schools are requesting that Alateen meetings show proof of Sexual Misconduct/Physical Abuse insurance coverage.

Is there any insurance to “protect against” COVID?

No.

Are facilities asking for insurance to “cover” COVID?

No.

Insurance companies exclude insurance coverage for COVID.

Task Force Facts

- The Task Force(TF) consisted of 9 members from 9 different districts.
- We began our meetings on November 29, 2020 and met every Sunday until February 28, 2021.
- Every member was provided the “Charge” and we began with the KBDM questions, which we thoroughly discussed. You can find that document, *Insurance Task Force KBDM Q&A* here: <https://www.scws-al-anon.org/area-world-service-assembly-meeting-information/>
- The TF moved onto the specific questions for each solution provided in the “Charge”.
- The Traditions and Concepts were fully discussed as to whether the answers fell within the principles of the program or not. The TF then used the answers to weigh out the pros and cons of the two solutions.
- A recommendation motion was made by the 8 members of the TF present on February 28, 2021. The motion passed unanimously.

Task Force Charge

Two Possible Solutions:

1. The Area is a Point of Contact, providing specific information and resources for registered Groups to decide for themselves how to provide insurance to their meetings.
2. The Area pursues purchasing a General Liability Policy that covers all registered Groups within the Southern California World Service Area that request a Certificate of Insurance.

PROS and CONS to Solution 1: SCWS is Point of Contact for insurance.

Pros for SCWS as Point of Contact:

- A. SCWS would not have to research insurance companies to provide specific policies for Groups
- B. SCWS would not incur any costs for Group insurance
- C. The relationship between the legal entity of SCWS and the Groups would remain strictly and clearly traditional.

PROS and CONS to Solution 1: SCWS is Point of Contact for insurance, continued.

Cons for SCWS as a Point of Contact:

- A. In order to abide by Tradition 6, multiple insurance agencies would need to be contacted in order to prevent referring groups to a single insurance agency or company, which could imply that we are “lending our name or support to an outside entity”. This could be an arduous undertaking.
- B. Just being a Point of Contact is inefficient and puts the task back on individual groups to do the “hunting” for insurance coverage. (What they do now.)
- C. This process would be more likely to result in costly insurance premiums for individual Groups.

PROS and CONS to Solution 2: SCWS provides insurance coverage to meetings that request it.

Pros for SCWS offering insurance coverage to groups that request it:

- a. The Area can purchase a policy with greater coverage and higher limits for less cost than at the Group level.
- b. SCWS would know which meetings are participating and be kept in the loop if there were issues.
- c. Larger pool of prospective volunteers to fill a new Insurance Coordinator position.
- d. SCWS could pattern procedures after Northern California's (NCWS). "No need to reinvent the wheel". (Procedures can be viewed on NCWS's website <https://northerncaliforniaal-anon.org>.)
- e. SCWS could see an increase in Groups and Districts 7th Tradition contributions due to more funds being available (without their added insurance expenses).
- f. TF can provide to SCWS a list of Insurance Companies and contacts already gathered, along with several quotes already received.

PROS and CONS to Solution 2: SCWS provides insurance coverage to meetings that request it.

Cons for SCWS offering insurance coverage to groups that request it:

- a. No way to predict number of future claims.
- b. Adds new expense to Area budget. No way to accurately estimate future costs.
- c. Additional cost if there are “deductibles” not possible to predict.
- d. Increased cost to the Area for adding a new Insurance Coordinator position. Also necessitates writing new job description/responsibilities and changing Bylaws.
- e. Could possibly create double-headed management conflicts if AIS Offices continue to offer insurance even though SCWS is offering it. Example: Orange County’s policy coverage limits may be less than SCWS’s policy coverage limits.

Monetary Considerations

The monetary considerations for assessing policies are:

1. Cost of the policy per year
2. Whether there is a deductible or not. If there is, how much that deductible is per claim
3. Whether there is a fee for obtaining a Certificate of Liability

Quote Comparisons for SCWS

1. Fireman's Fund Ins. Co. for SCWS:

- a. **\$783.50yr for \$1M/2M or \$1,083.50 for \$2M/\$2M**
- b. General Liability and Area Directors & Officers Insurance coverage, including \$10K Med Pay,
- c. It does **not** include sexual misconduct coverage as they do not offer this coverage.
- d. Unlimited Additional Insureds and Certificates of Insurance at no additional charge.
- e. No deductible.

2. Scottsdale Ins. Co. for SCWS:

- a. **\$1,806.88yr for \$2M/\$2M**
- b. General Liability insurance coverage, including \$5,000 Med Pay and includes Sexual, Physical Abuse coverage of \$25,000/\$50,000.
- c. Unlimited Additional Insureds and Certificates of Insurance at no additional charge.
- d. \$500 General Liability deductible

3. Scottsdale Ins. Co. for District 8:

- a. **\$696.94yr for \$1M/2M**
- b. General Liability coverage with \$5,000 Med Pay. This includes Sexual Misconduct coverage.
- c. Unlimited Additional Insureds and Certificates of Insurance at no additional charge.
- d. \$500 deductible

**You will be voting on the following
4 Task Force recommendations:**

- 1) Approve the recommendation that the Area purchase a General Liability Policy that will cover all registered Groups within the Southern California World Service Area that request a Certificate of Insurance.
- 2) Funding of the SCWS Policy and Certificates of Insurance to be a part of the ongoing budget of SCWS from 7th Tradition contributions to the Area.

Task Force recommendations (continued):

- 3) Approve forming a Work Group that will:
 - a. review insurance quotes already received by the Task Force and pursue additional policy quotes, if necessary
 - b. recommend the most appropriate policy (or policies) for Area Al-Anon and Alateen Groups,
 - c. define the duties and responsibilities of a new Insurance Coordinator position to be added to the SCWS Board (on a 3-year trial basis)
 - d. continue to oversee the implementation of the new insurance processes, as appropriate, for the first year.
 - e. in consultation with the Area Chair, determine whether the Work Group should continue beyond the first year.

- 4) Approve authorizing the Board (i.e., Area Officers and Coordinators) to:
 - a. Purchase the policy/policies recommended by the Work Group
 - b. Exceed the \$2,000 limit for spending, up to and including \$4,000, if necessary

Let's start with Questions then Comments.

Reminder:

Raise your Zoom hand (click on “reactions”, “raise hand”)

1-2 Minutes at the “mic”

Please lower your hand if another member asks your question.

Raise your Zoom hand

First, click on “Reactions”

Second, click on “Raise Hand”

