

Insurance Update

MAFCA Members,

It has been a year since the Board of Directors has updated you on MAFCA Insurance, especially as it relates to Chapters. Since recent improvements have been made to our coverage plans, I would like to make you aware of these changes.

First, and perhaps most significantly, MAFCA has secured a new and enhanced Directors & Officers Insurance Policy. After 6 months of effort, the new Policy has been placed through J. C. Taylor, Inc. and it now includes coverage for not just the Corporation but ALL Chapters/Regions/Special Interest Groups located in the United States, its protectorates and Canada. This coverage is automatic for your Chapter; you need do nothing! Even the Chapter cost for 2008 is zero. Although our desire and plan is to continue this free coverage to Chapters, I am sure that you will understand that future decisions on providing this free to the Chapters will have to be based on future insurance premium cost growth.

D&O insurance is financial protection against a breach of "duty" by Chapter directors, officers and committee chairpersons. D&O Insurance provides financial and legal defense coverage for actual or alleged wrong decisions. Coverage includes any actual or alleged act or omission, error, misstatement, misleading statement, neglect or breach of duty by an Insured person in the discharge of his/her duties. This coverage benefits MAFCA Chapters in two significant ways. First, it removes the cost burden from Chapters that were purchasing their own D&O Insurance. Second, Chapters that were not able to afford D&O coverage may find it easier to encourage members to accept positions of responsibility.

MAFCA's General Liability Insurance continues to provide bodily injury and property damage coverage for Chapters. After last years significant premium increase, MAFCA is pleased to announce that its 2008 renewal is within Budget and is safely confirmed for another year. This insurance is also provided free for all Chapters/Regions/ Special Interest Groups located in the United States, its protectorates and Canada. This insurance policy is designed to protect Chapters, their members and guests while participating in Chapter activities. It is not intended to protect the General Public, so for those types of activities you will have to provide your own coverage. MAFCA's General Liability Insurance obviously does not cover your Model A, which is covered by your automobile insurance policy.

MAFCA's Policy on Insurance (P2S03, 7/21/2007) can be downloaded here:
<http://www.mafca.com/downloads/Insurance/March2008Update.pdf>

See also the Frequently Asked Questions section below.

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2008 Insurance Liaison
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FREQUENTLY ASKED QUESTIONS ABOUT INSURANCE

Q What does my chapter need to do to be included under the MAFCA Insurance with J. C. Taylor.

A The current Policy(s) from J. C. Taylor automatically include all MAFCA Chapters/Regions/ Special Interest Groups located in the United States, its protectorates and Canada. At this time, both the General Liability

Insurance Update

Insurance and the Directors & Officers Insurance are provided free to eligible Chapters and no additional information is required.

Q Who is covered by the MAFCA General Liability Insurance?

A General Liability Coverage protects a Chapter against any liability claims for bodily injury and property damage arising out of Chapter activities. Examples of covered activities are meetings, seminars, picnics, banquets, etc. The current Policy from J. C. Taylor automatically covers all MAFCA Chapters/Regions/Special Interest Groups located in the United States, its protectorates and Canada.

Q Why would my chapter need a Certificate of Insurance?

A In many cases, third parties require that you prove that your members are covered under a General Liability Insurance Policy when using their facilities. The certificate of insurance is not an insurance policy. It is proof of insurance for third parties, such as schools, parks, building owners, etc. who require written proof of insurance as a condition of allowing your Chapter to rent or use the facility. It is issued by our Insurance Carrier. It is only issued for a specific event or events or meet to a specific party who has requested the certificate. Note that it can be issued to cover all meetings at a specific location. The request for a Certificate of Insurance is made to MAFCA HQ; the request form can be downloaded here ([insert link](#)).

Q Why can I not just request one Certificate of Insurance for all of our Chapter's planned activities for the year?

A The certificate of insurance is not an insurance policy. A Certificate of Insurance is issued by our Insurance Carrier to specific third parties at a specific location for a specific activity. Thus, it can be issued to cover all meetings at a specific location. Note that it is only necessary to obtain this Certificate if a third party requests it as a condition of allowing your Chapter to rent or use the facility.

Q Can I receive a Certificate of Insurance for the non-approved activities listed in MAFCA Policy P2S03, 7/21/2007?

A No, a Certificate of Insurance will not be issued for non-approved activities.

Q Why does my chapter need D & O insurance and what does it cover?

A Chapters rely on volunteers to serve as leaders in their organization. In today's world, these leaders could be subjected to legal action if members felt they were not performing as the member wished. D&O insurance is financial protection against a breach of "duty" by Chapter directors, officers and committee chairpersons. D&O Insurance provides financial and legal defense coverage for actual or alleged wrong decisions. Coverage includes any actual or alleged act or omission, error, misstatement, misleading statement, neglect or breach of duty by an Insured person in the discharge of his/her duties. Although perhaps obvious, it should be stated that this insurance does not protect individuals from being sued for illegal acts.

While most lawsuits of this type are not successful, the burden to the volunteer is the cost of legal defense. Thus the "financial and legal defense coverage" is of significant value to our volunteers.