

Kiwanis Club of Olds
Board of Directors Meeting **MINUTES**
Tuesday, APRIL 6, 2010 - 7:00 PM at TORROCK SALES & SERVICE
5119 – 49 Avenue

PRESENT: Carol, Ray, Murray, Hugh, Phil, Harry, Chris, Rita, Judy
Guest: Alvin Ganser

1. Call to Order - Carol
2. Agenda
(a) Agenda Adopted with Additions: **MOTION: CHRIS CARRIED**
3. Approval of Minutes – March 2, 2010 Board of Directors Meeting – Thank you Hugh for taking minutes. **MOTION: HARRY CARRIED**
4. Treasurers Report Marnie Ragan
General Account Balance - \$ 1,391.38
Community Account Balance - \$19,870.94
Casino Account Balance - \$15,826.78

MOTION: TO ACCEPT REPORT: MARNIE / CARRIED

MOTION: HUGH: "authorize Marnie to set up on-line banking for the Kiwanis Club for inquiry purposes" CARRIED

- 4.2 **BUDGET: MOTION TO ACCEPT: Updated budget discussed and accepted.**
Marnie will e-mail budget report with actual expenditures to date.
5. Business Arising / Reports
 - 5.1 Mr. Zec's donation – Committee – Geoff, Chris, Murray, Carol. Looking for project suggestions (e-mail to Carol); to meet with town reps and come back with possibilities for the Board to approve. Letter of thanks sent / Certificate prepared for when Joe brings him to club luncheon.
 - 5.2 **COMMITTEES – Membership –volunteers: Ray, Marnie, Jack, Harry. Marnie has membership Info Packages?**
 - 5.3 **Summer OAS Schedules. Consensus to do: Weekend of Wheels, June 19; Concert Series – July 26 & 27; RCMP Musical Ride July 31 and Chuckwagon Classic Aug 5 to 8.**
 - 5.4 **Club Insurance (Alvin). FULL REPORT – APPENDIX A. Recommend we take additional insurance offered, as a minimum.**
MOTION: RITA. President to check if we can buy additional insurance package mid-year and to take Option #2 if available. CARRIED
MOTION: PHIL President check out WCB Insurance and report back to Directors CARRIED

RITA will talk to Agric Society re: Waiver of Responsibility; Harmless clause; and what their insurance covers and what reciprocal coverage they need. Also need to check with Performing Arts Society and Music Festival – our insurance does not cover them.

- 5.5 Kiwanis International Convention – June 24-27 Las Vegas. Anyone is welcome to go but no sponsorship. Lynn's & Johnston's attending Winter Conference in Saskatoon where Geoff is getting an award from Kiwanis International. GOOD GOING GEOFF!!!
 - 5.6 GUEST: NEIL SKALUBA – N/A NOTE: This could be a project for Mr. Zec's donation.
6. New Business / Correspondence
- 6.1 Count Yourself In – Volunteer Week April 18 – 24. Carol to forward to Geoff for newsletter.
 - 6.2 Funding request from Hayley White – declined. Club policy to support groups not individuals.
 - 6.3 Funding request from Red Deer Action Group for specialized transportation. Declined. Club Policy to fund local initiatives.
 - 6.4 Monthly Report (Hugh). High needs information on monthly volunteer hours of members and donations for Kiwanis International report.
 - 6.5 Socials. Marg is proposing a bowling evening – look at May; Brunch @ Red Lodge Guest Ranch Aug 29. Stevens will do B-B-Q July 22. July 8 and Aug 12 are open dates for B-B-Q's.
 - 6.6 Nomination Committee needed. 3 past President's. AGM 3rd week of May or before.
7. Round Table. Amazed at how complicated things have become. Next meeting agenda item: Olds Fashioned Christmas involvement.
8. Next Meeting – MAY 4, 2010 – Chris will be away
9. Adjournment

APPENDIX A

ALVIN F. GANSER

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April 6, 2010

Kiwanis Club of Olds

Attention: Sandra McCurdy

Dear Madam:

RE: KIWANIS CLUB OF OLDS – Insurance

As per your request I have looked at the following documentation:

- i) The materials enclosed with the Kiwanis International General Liability Risk Management Packet – for the Policy period of 11/1/2009 to 11/1/2010;
- ii) Pamphlet pertaining to additional coverage – medical payments, dismemberment and death benefits (note: this is not intended to replace other insurance such as workers' compensation, health insurance, auto and property insurance coverage).

A review of the same indicates that the Kiwanis International General Liability policy provides coverage of \$2,000,000.00 combined single limit per occurrence of bodily and property damage – regardless of the number of insured under the policy. The premiums for this insurance are paid by Kiwanis International from funds provided by member clubs. Clubs pay the annual per capita for this coverage, and this is submitted with the payment of the International dues.

While not an all-inclusive list, the following are **Exclusions** under the Kiwanis International General Liability policy:

1. **Vehicles** - liability arising out of the operation, use or maintenance of automobiles (including buses and trailers) owned by a named insured (including Kiwanis members) is not covered. If a Kiwanis member or organization owns a vehicle, it must be separately insured. For example, if a Kiwanis member is driving his car on Kiwanis business and strikes a tree – neither the Kiwanis member or any passenger in his vehicle is covered; nor is the damage to the vehicle covered. Damage or injury to third party users of the highway, or

third party property (damaged by the Kiwanis vehicle) would be covered, but only if the primary vehicle insurance is insufficient to cover such third party damages.

Liability for the use of rented, hired or non-owned vehicles is covered for third party bodily injury and property damage claims only. The policy provides excess coverage over all primary insurance on the vehicle but specifically excludes physical damage claims such as comprehensive and collision on the vehicle. The vehicle's policy would be looked to, in the first instance, to cover damages sustained by third parties, and the Kiwanis policy would only pay in the event the car insurance policy had insufficient coverage.

Aircraft and owned **watercraft** (other than owned row boats and canoes), and **non-owned water craft over 50 feet**, are not covered.

2. **Injury to employees** – liability arising out of injury to employees (this is a workers' compensation exclusion and does not appear to be covered). The documentation provided indicates Kiwanis members should obtain workers' compensation coverage for coverage of their own members, volunteers and employees.
3. **Kiwanis owned property.**
4. **Property in the care of the Club** – liability for damage to property in the care, custody or control (i.e. not owned by our Club) is not covered.
5. **Driving to or from Club meetings, or other Kiwanis activities** – “driving” in such circumstances is not considered being “on Kiwanis Business” and would not be covered.
6. **Bungee or Velcro jumping.**
7. **Damage to buildings rented or used by Kiwanis** – There is coverage only if the damage is caused by fire and does not exceed \$1,000,000.00 for any one fire.
8. **Contents (furniture, fixtures, etc.) of a building when rented or used by Kiwanis.**
9. **Sporting events, athletic events, carnivals, rodeos, circuses, horse shows, fireworks displays, picnics, parades, pancake days, dances, contests, and similar activities** – are covered **if** it can be shown that the injury resulted from the negligence of a named insured (Kiwanis Club or its members, servants, employees, etc.). If no negligence proven, then there is no coverage.

(For example – if Kiwanis hosts a baseball tournament, and a player breaks his ankle – short of proving that the broken ankle resulted from a negligent act of a Kiwanis member, there would be no coverage. In short, most of these activities would likely not be covered by the Kiwanis policy.)

10. **Health and Accident Insurance, workers' compensation, property, fidelity, loss of money, directors and officers liability, and other insurance in such special categories.**
11. **Club sponsored races** – no coverage for bodily injury or property damage for auto, truck, snowmobile, motorcycles, go-cart, or any other type of “mobile equipment” type events. There may be coverage for use of premises or sale of products (sale of food, beverages, etc) if legal liability is determined in respect of the named insured (i.e. the Club or its members).

Note: Owners of premises and other facilities used by Kiwanis can be included as additional insured with respect to their liability for the Kiwanis use of their property. There is no additional charge for this, but application must be made to the Hylant Group to have an owner included under the policy.

While not an all-inclusive list, the following appear to be **items covered** under the Kiwanis International General Liability policy:

1. **Injury and loss occasioned to third parties and property by Kiwanis members (with exceptions, as noted above).**
2. **Sale of Food and Beverages** – The policy covers a refreshment trailer when selling food and beverages – but not while in motion, if it requires to be licenced when being moved.
3. **Host liquor liability and liquor liability coverage.**
4. **Sexual abuse and molestation.**
5. **Persons who provide volunteer services to Kiwanis are covered while using an automobile not owned or hired by Kiwanis to transport people on Kiwanis business. Again – this policy is only excess insurance over the vehicle policy.**
6. **Non-motorized watercraft under 50 feet in length.**
7. **Sponsored swimming activities. But lifeguards, managers, etc. (not being named as insured) would not be covered, unless these persons are hired by Kiwanis.**

Note: If our Club contracts with other organizations to conduct a special event – the policy may protect us, however, the contractor or service provider's liability must be primary and name the local Kiwanis Club and Kiwanis International as additional insured (the contractor's policy must not be for less than \$1,000,000.00 – and a copy is to be obtained before the happening of an event along with a hold harmless agreement in favour of our club and Kiwanis International. A copy of the policy is to be provided to Kiwanis International).

Excess coverage

If it is felt that additional coverage is required, then our club can consider purchasing “Excess Liability Policy” – this will apply once the limits of the Kiwanis International liability policy are exhausted.

Claims

If a claim is advanced it should be reported promptly to Hylant Group, Attn: Claims Department, P.O. Box 40925, Indianapolis, IN 46280-0925 (800-678-0361, ext 15186; or faxed to 317-817-5151). **Clubs or Club Members should not admit liability or suggest that a settlement may be offered.**

Where other service providers or contractors are involved

If activities are sponsored by our Club, but conducted by others, the other party’s insurance is primary, and our club is to obtain a copy of such party’s certificate of insurance with limits of not less than \$1 million combined single limit naming our club and Kiwanis International as additional insured. The service provider conducting the activity should also be required to provide a hold-harmless agreement in favour of our Club and Kiwanis International.

The same type of arrangement should be put in place when our club is approached by promoters, etc., who desire to do fundraising. If our Club is only being requested to permit its name to be used and help sell tickets, in return for which we receive a percentage of the tickets sold, the promoter’s insurance is primary, and our club is to obtain a copy of such party’s certificate of insurance with limits of not less than \$1 million combined single limit naming our club and Kiwanis International as additional insured. The promoter should also be required to provide a hold-harmless agreement in favour of our Club and Kiwanis International.

(This raises a question, for example, as to whether we have to provide a copy of the Ag Society’s policy of insurance, where we provide food booth services at the Fair – as it also appears we have to provide Kiwanis International with a copy of the Ag Society’s policy of insurance along with a hold harmless agreement.)

Recommendations:

Kiwanis International recommends:

- a) that every Club has a Safety Coordinator (see “Bulletin Special Release”)
- b) Clubs look at alternate methods of protection, which include:
 - i) Standard Contract – where Clubs use facilities and service providers in the course of fundraising and service activities. The guiding principle here is the transfer of loss exposure

to the provider of the facilities or the person performing the activity from which the exposure arises.

Kiwanis International recommends the contract should include the following provisions:

- a) A hold harmless provision – whereby the operator agrees to hold Kiwanis International and its member Clubs harmless from any and all claims for liability for bodily injury and death resulting from the event;
- b) The operator should be required to provide proof of liability insurance (minimum of \$1,000,000.00);
- c) The certificate of insurance should show Kiwanis International and our Club as additional insured on the policy;
- d) The certificate of insurance should indicate the insurance covers all premises and operations, which will be involved in the event, as well as products liability insurance for any equipment to be furnished or food products or services sold by the operator;
- e) The certificate indicates that 30 days prior written notice be given to Kiwanis International and our Club if, for any reason, the insurance is cancelled prior to the happening of the event.

Certificates should be reviewed to ensure the operator’s insurance policy adequately covers the activities of the event.

- ii) Waiver of responsibility - In consideration for an opportunity to attend or participate in a Kiwanis-sponsored event, the operator or participant signs a waiver of responsibility form which constitutes an informal relinquishing of the right to sue Kiwanis International (and in the writer’s opinion should also include the local Club). This is recommended for things such as foot races, motor vehicle races, sporting events, air shows, etc.
- iii) Hold Harmless Agreements – operators, participants or attendees are asked to agree to hold Kiwanis International and our local Club harmless, and thus provide payment for losses that occur as a result of activities specified by the contract. This is normally incorporated into the body of a standard contract or waiver of responsibility. Kiwanis International states, when this type of arrangement is used, it is imperative a policy of insurance is put in place by the operator in order that the Club is assured the hold harmless agreement can be enforced.

(Examples of Liability Release, Waiver of Liability Form and Hold Harmless Agreement have been provided by Kiwanis International.)

New Club Accident Insurance Coverage

In the **pamphlet** “introducing new club accident insurance” it indicates that there is an additional type of coverage that can be purchased for club events where a member or volunteer may be injured – it includes but is not limited to special events, fairs and fundraisers. This insurance provides medical payments, dismemberment and death benefits for members and volunteers who may be injured at a club event or activity. There are two options:

- a) option #1 is \$2.15/per year/per member; or
- b) option #2 is \$3.50/per year/ per member.

Option #1 provides \$10,000.00 payout for accidental death and dismemberment: option #2 - \$25,000.00

Option #1 provides \$10,000.00 excess medical; Option #2 provides \$25,000.00

The rest of the coverage is identical. In both cases the benefit period is 52 weeks.

Note – This coverage is not intended to replace other insurance such as workers’ compensation, health insurance, auto and property insurance coverage.

Workers Compensation

I had previously made inquiries with respect to Workers’ Compensation coverage for the Kiwanis Club back in 1999. When I spoke to Mr. Gavon Schuya at the Compensation Board, in 1999, he indicated that before he would entertain dealing with the Kiwanis Club of Olds we had to clear up the outstanding Workers’ Compensation matters with the Kiwanis Club of Olds, namely that concerning Tom Thomson. Tom Thomson and Adrian Neufeld had been paid as employees of the Kiwanis Manor, when the Kiwanis Club administered the running of the Manor. Apparently when the Kiwanis Club ceased functioning as the Board of Directors for the Manor, they omitted to complete the paper work and/or payments required with respect to the Workers’ Compensation Board coverage. I spent a considerable amount of time digging up the information the Workers’ Compensation Board required in order to put the Kiwanis Club in the position that it could make inquiries regarding obtaining Workers’ Compensation coverage for its various functions.

Mr. Schuya advised what had to be done if a service group such as the Kiwanis Club wanted to obtain coverage in the situation where there are no paid employees, and how the premium is calculated and paid in such instance. If there are paid employees who attended at the functions, then it appears different considerations apply. I discussed this with Joe Gustafson on February 2, 1999, and he told me to hold off as he was going to meet with the Town of Olds to see if they have something to cover the various organizations and their activities that take place within the corporate limits of the Town of Olds. I heard nothing back – so did nothing further at that time.

In Summary

In my opinion it appears that the Kiwanis Club of Olds, at the present time, has no insurance coverage (under the current Kiwanis International Insurance Policy) in respect of injury or death occasioned to its own members, and the volunteers that help out, on Club activities. Even if the additional coverage is obtained under the policy contemplated in the **pamphlet** “introducing new club accident insurance”, this coverage appears to be limited and the pamphlet makes reference to the fact that it is not intended to replace other insurance, such as Workers’ Compensation coverage.

The Regulations under the Workers’ Compensation Act indicates that “charitable institutions” are exempted – in other words, they do not have to pay premiums, nor do they receive the benefits of coverage under the Workers’ Compensation Act.

An organization such as the Kiwanis Club, although exempted under the Workers’ Compensation Act, **may** be able to apply and obtain coverage under this legislation – and should consider canvassing the requirements, benefits and costs of being covered under the Workers’ Compensation Act. This could afford the Club additional coverage for injuries to its members and volunteers, particularly if the injury is severe or requires ongoing rehabilitation.

In my opinion, whoever is responsible for looking into insurance on the Board should consider following up with inquiries to determine whether or not Workers’ Compensation is available, and if so, what type of coverage can be obtained. The membership is getting older, and the possibility of injury generally increases with age. If Workers’ Compensation is available, then the Club should be following up with this type of coverage to ensure that its members and volunteers, or paid workers, are covered.

If Workers’ Compensation coverage is not available or is not being sought, then the Club should seriously look into the additional coverage that can be provided pursuant to the pamphlet, if the Club wishes to have this additional coverage put in place as a minimum.

Members should be made aware of the fact that they presently are not covered under the Kiwanis International Insurance Policy, as this may affect what type of projects they feel the Club should, or should not, undertake.

I hope the aforesaid helps the Board when reviewing the matters covered, or not covered, by the General Liability Insurance policy presently in effect with Kiwanis International.

Yours truly

Alvin F. Ganser
AFG/afg