

Insurance Issues:

Conference Insurance, General Liability Insurance and Directors and Officers Insurance

By Roberta Spencer
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Conference Insurance Coverage:

Insurance coverage exists specifically designed for conferences. It covers unexpected revenue loss due to circumstances beyond our control, such as adverse weather, labor strike, power failure, or non-appearance of a key speaker. It covers personal property going to and from and while at the conference. It does not cover outbreak of war or acts of terrorism. Ginny Wiley recommend we look into this coverage as Pegasus has used this type of coverage for their events. Insurance premiums for conference insurance are less if bought for multiple years at one time.

General Liability and Property Insurance

The Society was given a quote for this type of insurance last year. Although the quote is no longer valid, there is not any reason to think that we could get a less expensive offer now. If the policy council decides this is something to pursue, an updated quote based on current information will be obtained.

The System Dynamics Society does not have any coverage.

General liability provides protection from allegations of bodily injury or property damage arising from your operations. Claims can be caused by persons falling on your premises, injured by your employees, or your negligent damage to someone's property. Your insurance provides investigation, defense and payments of judgments against you.

The University at Albany is the owner of the premises and the System Dynamics Society can be considered a tenant. The University as part of the State of New York is self-insured. A contract exists between the University and the Society but there is no indemnification agreement – the University is not asking us to provide insurance, or conversely, the University is not extending insurance to the Society. The University does provide coverage to its employees.

In a worst-case scenario, if a Society representative accidentally tripped and injured a visitor on University premises, the visitor could sue the University as the owner, the Society as the tenant and the Society representative personally. The Society would be responsible for the judgment and out of pocket attorney's fees for defense (with or without a judgment). This responsibility also exists off-site, for example at a conference.

The practical advice received from an insurance professional is to "let sleeping dogs lie." His professional advice is that we should purchase insurance coverage in the name of the Society.

Directors & Officers Insurance

Directors & Officers Insurance protects individual directors and officers against stakeholder suits arising from their corporate role. Traditionally, publicly traded companies mostly purchased this coverage, but recently private and not-for-profit companies are also buying the coverage. Employment related practices suits are one of the greatest sources of claims in the private and not-for-profit sectors. How firms hire, fire, discipline or advise employees has come under increasing scrutiny by plaintiffs. Financial, investment and discrimination issues are also reasons for suits. Would our members ever have a reason to sue? How would they be harmed? We have no employees and no investments that affect the membership.

The insurance professional that was consulted stated we “don’t make the list of those who are likely to buy Directors and Officers Insurance.” He also states that since the Society doesn’t carry D&O coverage, board members could ask their insurance agent if it’s possible to obtain the coverage on their homeowner’s policy and/or personal umbrella policy. There will be more negative answers than affirmative. Most personal policies do not contemplate D&O exposures, however there are some insurance companies that do allow for the coverage to be endorsed onto their policies.

The Policies, Bylaws and Articles of Organization do not address insurance, defense or the issue of indemnity for members of the board.

Premium Comparison supplied by insurance agent:

Coverage	Atlantic Mutual	Executive Risk Ind.
Property	\$548	
General Liability	\$5,432	
Global General Liability	\$2,000	
Directors and Officers		\$1,000
TOTAL	\$7,980	\$1,000

The minimum premium for conference insurance coverage is about \$1000 per event.