

Insurance Coverage for Victoria Neighbourhood Associations

A proposal approved by VCAN on October 16, 2019

Victoria Neighbourhood Associations

With Centres for Programs/Services	Without Centres
Fairfield Gonzales	North Jubilee
Fernwood	South Jubilee
Burnside Gorge	North Park
Vic West	Downtown Harris Green
Oaklands	James Bay
Hillside Quadra	Rockland

Three Types of Insurance for Neighbourhood Associations

Three distinct types of risk are covered by three separate types of insurance policy:

1. Directors and Officers Liability Insurance that covers the Boards and Executive of the Associations for any actions or decisions taken in their leadership role for the NA.
2. Commercial General Liability Insurance that covers liability claims against the NA for all its operating activities.
3. Group Accident Insurance that covers NA members, employees, and volunteers for accidental injury while working (paid or unpaid) at a NA activity.

Differences between Insurance coverage for the two types of NAs

NAs with Centres, employees, and on-going programs have different insurance risks compared with the six NAs that do not have Centres, employees, and on-going programs. The insurance differences reflect the different operating scale and organization model of each group of NAs.

Besides the obvious differences in scale of operations and therefore scope of risk, there are also differences in how each type of insurance is acquired and how premiums are paid. (Note: The information below has been confirmed by most but not all NAs.)

1. Directors and Officers Liability Insurance
 - a. NAs with Centres purchase insurance through a broker of their choice, pay the premium from operations and are partially reimbursed by the City for that cost. Premiums for the Centres are much larger than the non-centre NAs and the amount of re-imbursement is approximately equal to the amount provided to the non-centre NAs

- b. NAs without Centres purchase insurance through a broker of their choice, pay the premium from operations and are fully reimbursed by the City for that cost.

2. Commercial General Liability Insurance

- a. NAs with Centres purchase insurance through a broker of their choice and pay the premium from operations. The premium is funded by the NA's general revenue as the City does not directly reimburse the NA for that cost nor does the City grant for operations contribute toward that cost.
- b. NAs without Centres share a single policy for all 6 NAs. The policy is administered by FGCA on behalf of the 6 NAs and the full cost is paid by the City through FGCA. The most recent annual cost was \$5,188.00.

3. Group Accident Insurance

- a. NAs with Centres purchase insurance through a broker of their choice and pay the premium from their operating budget. The premium is funded by the NA's general revenue as the City does not directly reimburse the NA for that cost nor does the City grant for operations contribute toward that cost.
- b. NAs without centres do not currently have any accident insurance coverage for volunteers who provide programs and services to their community. None of the 6 NAs have employees, only project specific contractors who are responsible for their own accident insurance. With the assistance of FGCA, the 6 NAs have obtained a quote for this coverage.

Problem - Group Accident Insurance is provided for Volunteers at the NAs with Centres but not at the 6 NAs without Centres

While the NAs with centres have a much larger scope and scale of activities and hence numbers of volunteers, there are many activities that are the same where volunteers for an NA with accident coverage are performing the identical tasks as volunteers for an NA without accident coverage.

The following example demonstrates the problem. Mary volunteers on a NA sanctioned community gardening project to maintain and develop edible plants and flower gardens. This project involves work and tools that can cause minor and sometimes serious injury. Mary accidentally cuts off a portion of a finger while pruning a shrub.

- If Mary is a volunteer with one of the NAs that has accident coverage, she can file an injury claim under that insurance and be compensated for medical and other expenses as well as the finger loss.
- If Mary is a volunteer with one of the NAs that does not have accident coverage, her only option for any compensation of medical or other expenses or possibly compensation for the finger loss is to file a liability claim against the NA. A liability claim

must demonstrate some form of “fault” on the part of the NA or another volunteer. It is also possible that Mary could sue the City for failing to ensure the same level of accident insurance for her as is provided for volunteers in other neighbourhoods.

Comparing the two situations, the inconsistency and unfairness are obvious. Besides being a problem for Mary, this is a problem for the City of Victoria. Citizens volunteering for Neighbourhood Associations in different parts of the City have different insurance coverage for identical activities and risks.

Solution

The solution to this problem is simple, the 6 NAs without centres need to carry Group Accident Insurance to cover their volunteers. To that end the 6 NAs, with assistance from FGCA, have obtained a quote for this coverage. The broker has outlined two options: a shared policy similar to the shared General Liability policy or individual policies for each NA. The following table outlines the quote:

Neighbourhood Association	Group Option	Individual Option
South Jubilee	\$ 1,000.00	\$ 1,050.00
North Jubilee	\$ 1,000.00	\$ 1,050.00
North Park	\$ 1,000.00	\$ 1,050.00
Downtown Harris Green	\$ 1,000.00	\$ 1,050.00
James Bay	\$ 1,050.00	\$ 1,985.00
Rockland	\$ 1,000.00	\$ 1,050.00
TOTAL	\$ 6,050.00	\$ 7,235.00

The 6 NAs have small operating budgets that are inadequate to pay the premiums under either option outlined above. This situation has been acknowledged for many years by the City as it has paid the full cost of both Directors & Officers Insurance as well as General Liability Insurance.

VCAN is requesting that the City of Victoria establish a shared Group Accident Insurance Policy for the six NAs without Centres based on the quote outlined above.