

# **CLUB INSURANCE PROGRAM 2020-2021**

## **ONTARIO TENNIS ASSOCIATION**

# CONTENTS

1. Introduction .....	2
2. Fact Sheet.....	3
3. Questions and Answers .....	5
4. Club Coverage Program.....	6
• Commercial General Liability .....	6
• <i>coverage is subject to the policy terms, conditions and exclusions</i> .....	6
• Property Insurance .....	8
• Directors and Officers Liability .....	10
• Employee Dishonesty .....	11
5. Additional Coverage Recommendations.....	12
6. Premiums.....	13
• 1. Club Court Coverage.....	13
• 2. Directors and Officers Liability .....	14

# 1

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## Introduction

We are pleased to present the Ontario Tennis Association (OTA) Club Insurance Program for 2020-2021. The OTA provides the members access to two low-cost and comprehensive group insurance programs:

- The Club Court Coverage; and
- Directors and Officers Liability
- Employee Dishonesty

This program offers broad coverage while retaining the group volume premium savings that have allowed members to potentially save hundreds of dollars a year!

Coverage is endorsed by the OTA and risk management services are provided by Marsh Canada Limited.

### *Why Should Your Club Be Insured?*

- As society becomes more litigious, individuals need to protect their assets. The majority of OTA members are community clubs and therefore expose the personal assets of executives, members, and the clubs, to liability claims. Legal costs associated with defending an allegation could bankrupt an uninsured club, even when the allegations are unfounded.
- The costs associated with injuries that occur on the court can amount to thousands of dollars. A club would probably not have the funds available to cover the costs from a bodily injury claim and defence costs, along with the personal time required to defend the club.
- Clubs would need to set aside significant assets to cover unexpected property damages arising from events beyond the control of the club like fire, wind damage, theft, or water damage.
- The municipality where the club is located may require proof of insurance before they are allowed to use municipal property or facilities.

# 2

## Fact Sheet

<b>The Program</b>	<ol style="list-style-type: none"> <li>1. <b>Club Court Coverage</b> <ol style="list-style-type: none"> <li>A. <b>Commercial General Liability Insurance</b> – Covers claims arising from bodily injury, property damage, personal injury, and advertising injury, subject to policy terms, conditions and exclusions</li> <li>B. <b>Property Insurance</b> – “All Risks” coverage for loss or damage to club property by events such as fire, theft, water damage, and severe weather, subject to policy terms, conditions and exclusions</li> <li>C. <b>Crime Insurance</b> – Covers loss occurring from the theft or destruction of currency owned by the club, subject to policy terms, conditions and exclusions</li> </ol> </li> <li>2. <b>Directors and Officers (D&amp;O) Liability Insurance</b>  <b>D&amp;O liability insurance</b> is protection for the personal assets of the club’s executive committee in defense of claims as a result of wrongful acts in the administration of the club such as allegations of poor management practices or <b>wrongful termination of an employee</b>, subject to policy terms, conditions and exclusions.</li> <li>3. <b>Employee Dishonesty</b>  <b>Employee Dishonesty</b> provides coverage for the “loss” (loss of money, negotiable instruments or property which belongs to the insured or are in the insured’s possession and for the loss of which the insured is liable) up to the limit selected for the value of property (including money) as a direct result of “Fraud” that occurs during the policy period and is committed by an employee/volunteer or Club member performing their duty, subject to the policy terms, conditions, exclusion and limitations</li> </ol>
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<b>Eligibility</b>	<p><b>Coverage 1, 2 and 3:</b>                  Bonafide OTA member clubs, subject to a completed insurance application and payment in full, submitted to the OTA office.</p>
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<b>Policy Period</b>	<p>April 1, 2020 to April 1, 2021, or following receipt of the application and payment at the OTA office.</p>
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<b>Proof of Coverage</b>	<p>A Certificate of Insurance is issued to each member club. The Master Policy is issued to the OTA office. For specific coverage details, a copy of the policy can be requested by calling the OTA office.</p>
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<b>The Insurers</b>	<p>Markel International is the global leader in providing sports insurance solutions. All policies are backed by A+ rated security</p>
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**The Administrator**

Marsh Canada Limited's Consumer Practice is the dedicated business practice for programs and associations. These insurance specialists provide broad experience in creating and managing programs within the areas of healthcare, retail, and not-for-profit organizations.

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**Contacts****The OTA Program**

Please call Jay Neill at 416 514 1103 or 1 800 387 5066 ext. 1103 or email Jay at [jneill@tennisontario.com](mailto:jneill@tennisontario.com)

**Coverage Questions – Marsh Canada Limited:**

**Cecilia Bince** – 416 349-3504  
[Cecilia.bince@marsh.com](mailto:Cecilia.bince@marsh.com)

Call Toll-Free: 1 866 263 5551

- Please ensure that you include your contact email address on your completed application.

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**Claims**

To report a new claim or for claims advice, please call Marsh at 1-855-627-7454

- Please note it is imperative that any situation that you feel may lead to someone filing a claim against the club must be reported immediately to the broker.
  - Please also note that, as is the case with other insurance policies, **not all** Human Rights claims will be covered.
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# 3

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## Questions and Answers

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<b>Question</b>	Why does our club need insurance? Aren't we covered by the municipality insurance?
<b>Answer</b>	Commercial General Liability insurance carried by the municipalities will often only provide coverage for the municipality, leaving the club uninsured for bodily injury and property damage claims.
<b>Question</b>	The local municipality owns the clubhouse and the land in the park where the club is located, why do we need insurance?
<b>Answer</b>	<p>Tennis clubs using municipally-owned property are usually required to obtain their own Commercial General Liability insurance as a condition of the agreement between the club and the municipality. Some municipalities even require the club to provide insurance on buildings or equipment used by the club, but owned by the municipality.</p> <p>In the absence of municipal requirements, the club is still liable for bodily injury or property damage caused to others as a result of the club's operations, making liability insurance an essential. Property insurance would also be necessary to cover the club's own equipment, computers, and money.</p>
<b>Question</b>	Our club hosts a tennis camp for children during the summer months. What insurance should we require or request?
<b>Answer</b>	If the tennis pro is conducting the camp on behalf of the club, coverage under your current policy is sufficient. If the pro is not affiliated with the club and is acting independently (e.g. just renting the tennis courts for use from the club), it is recommended that the club ask the pro to provide proof of insurance by way of a certificate of insurance. If the pro does not have insurance, they can be directed to contact Marsh Canada to obtain a quotation under the OTA Pro-Pac Policy.

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# 4

## Club Coverage Program

### Commercial General Liability

*coverage is subject to the policy terms, conditions and exclusions*

<b>Claims Arising from Tennis-Related Activities</b>	<ul style="list-style-type: none"> <li>• Occurring anywhere in Canada and the U.S. provided the club premises/business operations is located in Ontario</li> <li>• <b><i>This coverage applies to tennis and tennis-related activities only including pickleball (training oriented)—no multi-sport camps and no high risk physical activities.</i></b></li> </ul>
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<b>Following limit options are available:</b>	<ul style="list-style-type: none"> <li>• \$2,000,000, \$5,000,000 or \$10,000,000; sublimits and/or policy aggregates may apply to coverage. Please refer to policy for full details</li> </ul>
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<b>Abuse Coverage - following limit options are available (Claims Made):</b>	<ul style="list-style-type: none"> <li>• \$250,000, \$500,000 or \$1,000,000 per claim/annual aggregate</li> <li>• Policy does not respond to illegal or intentional acts</li> <li>• <b><i>Clubs must have ratified OTA Abuse policy in order to be eligible to purchase coverage</i></b></li> <li>• <b><i>Coaches and Referees to be included this year (NEW)</i></b></li> </ul>
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### Limits of Liability

<b>Bodily Injury and Property Damage</b>	<ul style="list-style-type: none"> <li>• As per limit selected</li> </ul>
<b>Products Liability</b>	<ul style="list-style-type: none"> <li>• Annual Aggregate: \$2,000,000, \$5,000,000 or \$10,000,000</li> </ul>
<b>Host Liquor Liability</b>	<ul style="list-style-type: none"> <li>• As per limit selected</li> </ul>
<b>Employers Liability</b>	<ul style="list-style-type: none"> <li>• As per limit selected</li> </ul>
<b>Non-Owned Automobile Liability</b>	<ul style="list-style-type: none"> <li>• As per limit selected</li> </ul>
<b>Personal &amp; Advertising Injury</b>	<ul style="list-style-type: none"> <li>• As per limit selected</li> </ul>
<b>Medical Expense</b>	<ul style="list-style-type: none"> <li>• \$ 25,000 per person/aggregate</li> </ul>
<b>Tenants Legal Liability</b>	<ul style="list-style-type: none"> <li>• As per limit selected</li> </ul>
<b>Bailee Coverage</b>	<ul style="list-style-type: none"> <li>• \$ 20,000 For personal effects with \$200 deductible</li> </ul>

<b>Loss of Wages</b>	<ul style="list-style-type: none"> <li>• \$ 250 per day when you are involved in a court action</li> </ul>
<b>Errors &amp; Omissions (Claims Made)</b>	<ul style="list-style-type: none"> <li>• \$ 2,000,000 or \$5,000,000 per claim/annual aggregate as selected for additional premium outlined below</li> </ul>
<b>Forest Fire Fighting Expense</b>	<ul style="list-style-type: none"> <li>• \$ 500,000 annual aggregate</li> </ul>
<b>Contract Pros</b>	<ul style="list-style-type: none"> <li>• May be covered <b>if declared on the insurance application</b></li> <li>• The policy can extend your club's liability insurance to contracted professional for club-related activities at the club courts or while away from the courts working on behalf and at the direction of the club</li> <li>• <b>If a club Pro hires his or her own employees or subcontractors or volunteers, there is no coverage for the employees or subcontractors or volunteers of the Pro</b></li> </ul>
<b>\$500 Deductible</b>	<ul style="list-style-type: none"> <li>• The deductible applies to each claim</li> </ul>



## Property Insurance

*“All Risks”, coverage is subject to the policy terms, conditions and exclusions*

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<b>Contents</b>	<ul style="list-style-type: none"> <li>• Covers against “all risks” of damage to all property owned by the club at the club location declared on the application including nets, posts, windscreens, fencing, benches, balls, and other equipment and office contents, per policy conditions</li> </ul> <p><b>Limit</b></p> <ul style="list-style-type: none"> <li>• You select the required limit in \$500 increments</li> <li>• No Minimum limit</li> </ul> <p><b>Covers</b></p> <ul style="list-style-type: none"> <li>• Loss or damage for contents located at the club premises or:                             <ul style="list-style-type: none"> <li>— \$10,000 property in transit</li> <li>— \$10,000 property located temporarily elsewhere; and</li> <li>— \$2,500 each person – Personal property employees, (contingent insurance only; certain conditions apply)</li> </ul> </li> <li>• Replacement cost on contents except actual cash value on stock held for sale:                             <ul style="list-style-type: none"> <li>— \$1,000 deductible each loss except \$5,000 for Sewer Back-up, \$10,000 for flood, and earthquake; in some cases the deductible may exceed the value insured.</li> </ul> </li> </ul>
<b>Building</b>	<ul style="list-style-type: none"> <li>• Owned by the club or for which the club is legally obligated to insure by contract such as a clubhouse, utility sheds, etc., per policy conditions</li> </ul> <p><b>Limit</b></p> <ul style="list-style-type: none"> <li>• You select the required limit in \$500 increments</li> <li>• No Minimum limit</li> </ul> <p><b>Covers</b></p> <ul style="list-style-type: none"> <li>• “All risks” of direct damage plus a “Bylaws Endorsement” to cover the increased cost of construction or demolition due to local bylaws (certain limitations, conditions and restrictions apply)</li> <li>• Replacement cost to repair, replace, or rebuild</li> <li>• \$1,000 deductible each loss except \$5,000 for Sewer Back-up, \$10,000 for flood, and earthquake; in some cases the deductible may exceed the value insured.</li> </ul>
<b>Hard court, Carpet, Clay, Har-Tru (Tennis Court)</b>	<ul style="list-style-type: none"> <li>• Hard court, carpet, clay, Har-Tru</li> </ul> <p><b>Limit</b></p> <ul style="list-style-type: none"> <li>• You select the required limit in \$500 increments</li> <li>• No Minimum limit</li> </ul> <p><b>Covers</b></p> <ul style="list-style-type: none"> <li>• Actual cash value; payment based on age and condition</li> <li>• Protects your courts against malicious vandalism; excludes wear and tear, weathering, erosion, groundwater upheaval, faulty workmanship, or cumulative damage caused by court usage in an inappropriate manner, such as non-tennis activities (ball hockey, tables and chairs set-up), subject to the court being fenced off</li> <li>• \$1,000 deductible each loss except \$5,000 for Sewer Back-up, \$10,000 for flood, and earthquake; in some cases the deductible may exceed the value insured.</li> </ul>

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**Money and Securities**

**Limit**

- \$10,000 in coverage is automatically included with the purchase of property insurance

**Covers**

- Coverage against forms of loss or damage to currency such as theft, burglary, robbery, fire, etc.
- On-club premises
- Includes loss by “mysterious disappearance”
- Money in vending machines is covered provided the machine has a coin acceptance recording device

**Other**

- All funds must be accountable by invoices, receipts, ledger books, or other accounting methods
  - Excludes loss or damage caused by criminal actions of club employees or volunteers
  - No deductible applies
-

## Directors and Officers Liability

*(For Non-Profit OTA Member Clubs Only)*

<b>Community Tennis Club Executive Liability Protection</b>	<ul style="list-style-type: none"> <li>• Protects the personal liability of the club executives and the club itself for losses resulting from poor management decisions or allegations of poor decisions, subject to policy terms, conditions and exclusions</li> <li>• Extends to outside directorships of non-profit organizations – certain conditions apply, coverage subject to the policy terms, conditions and exclusions</li> <li>• Includes Employment Practices Liability to protect the club and executive against liability of wrongful termination, discrimination, and harassment among other events, subject to the policy terms, conditions and exclusions</li> <li>• Protects the Fiduciary Liability of the club or executive for wrongful management of a benefit plan such as group insurance or pension subject to the policy terms, conditions and exclusions</li> </ul>
<b>Who are “Directors and Officers”?</b>	<ul style="list-style-type: none"> <li>• All directors of the club and “officers” such as club president, vice-presidents, treasurer, membership director, etc.</li> <li>• Club incorporation is not a guarantee of protection of directors and officers because of statutory laws that make directors and officers <b>personally liable</b> for the management of a corporation</li> </ul>
<b>Indemnification for Directors and Officers</b>	<ul style="list-style-type: none"> <li>• The financial burden is shifted to the organization whereby the club has agreed to indemnify its officers and directors for loss</li> <li>• The D&amp;O liability policy will protect the club when it has to make such an indemnification, subject to policy terms, conditions and exclusions</li> </ul>
<b>Cost-Effective Coverage</b>	<ul style="list-style-type: none"> <li>• Individual D&amp;O liability premiums generally start at \$2,500 or more</li> <li>• The OTA offers low-cost group D&amp;O insurance for OTA non-profit member clubs (excluding country clubs)</li> </ul>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• Club Court Coverage Program not required for eligibility</li> </ul>
<b>Limits</b>	<ul style="list-style-type: none"> <li>• You choose the limit: \$1,000,000, \$2,000,000 or \$5,000,000 each claim/aggregate</li> </ul>
<b>Type (Claims Made)</b>	<ul style="list-style-type: none"> <li>• It is imperative that all incidents or circumstances that may result in a claim or give rise to a claim, and any claims made against you be reported to the insurance carrier immediately. Be aware that late reporting of claims or incidents could result in denial of coverage by the insurer</li> </ul>
<b>Deductible</b>	<ul style="list-style-type: none"> <li>• \$1,000</li> </ul>
<b>Covers</b>	<ul style="list-style-type: none"> <li>• Directors, officers (club executive) and the club itself</li> </ul>
<b>Policy Period</b>	<ul style="list-style-type: none"> <li>• April 1, 2020 – April 1, 2021; or following the receipt and acceptance of the completed application by the program insurer and your full payment to the OTA</li> </ul>

## Employee Dishonesty

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<b>Insuring Agreement/Scope of Coverage</b>	<ul style="list-style-type: none"> <li>Coverage for the “loss” (loss of money, negotiable instruments or property which belongs to the insured or are in the insured’s possession and for the loss of which the insured is liable) up to the limit selected for the value of property (including money) as a direct result of “Fraud” that occurs during the policy period and is committed by an employee/volunteer or Club member performing their duty, subject to the policy terms, conditions, exclusion and limitations</li> </ul>
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>Club Court Coverage Program required for eligibility</li> </ul>
<b>Limits</b>	<ul style="list-style-type: none"> <li>\$10,000 in coverage is automatically included with the purchase of property insurance</li> </ul>
<b>Deductible</b>	<ul style="list-style-type: none"> <li>\$500</li> </ul>
<b>Policy Period</b>	<ul style="list-style-type: none"> <li>April 1, 2020 – April 1, 2021; or following the receipt and acceptance of the completed application by the program insurer and your full payment to the OTA</li> </ul>
<b>Restrictions/Conditions of Coverage</b>	<ul style="list-style-type: none"> <li>Employee, volunteer or club member responsible for the loss must be identified for coverage to apply</li> <li>Fraud must occur during policy period and be reported to the insurer within 14 days after the discovery</li> <li>Observance of System of Audit, Supervision and checks (i.e. 2 signatures on cheques etc.)</li> <li>Loss that occurs after the insured is aware of or suspects that an employee or club member has committed an act of fraud</li> </ul>

# 5

## Additional Coverage Recommendations

*(Indoor, Commercial, and Bubble Facilities)*

<b>Boiler and Machinery Breakdown Insurance</b>	<p>OTA member clubs with indoor facilities, including tennis bubbles, should be aware of an important coverage exclusion with respect to Property insurance. Hot Water Tanks, mechanical and electrical equipment, including certain fired and unfired pressure vessels used in the heating, air conditioning, lighting, and power of an indoor facility are not covered under most Property insurance policies, including the Club Court Insurance Program. Losses as a result of damages caused by explosion or breakdown of objects such as boilers and related pipes, compressors, electrical panels, transformers, and certain types of heating equipment are not covered. There is also no coverage for any resulting damage to other property owned by, or under the control of the club such as electrical panel short-outs, compressor explosion, or a boiler tube crack. The sole exception to this situation is if fire ensues, then only the damage caused by fire is covered.</p> <p>This equipment would include inflating fans and other equipment in bubble facilities.</p> <p>Clubs leasing municipally-owned clubhouse buildings may be responsible under a lease agreement to carry both Property and Boiler and Machinery insurance.</p> <p>The solution is to purchase a <b>Boiler and Machinery insurance</b> policy, which is available on an individual basis through the Club Court Insurance Program insurance broker, Marsh Canada Limited.</p>
<b>Bubble Facilities</b>	<p>OTA member clubs with indoor facilities housed by a bubble will require special underwriting considerations due to the nature and value of the risk involved. Clubs with indoor tennis bubbles are advised to contact Marsh Canada to make arrangement for special coverage.</p>
<b>Business Interruption (Loss of Income) Insurance</b>	<p>Business Interruption Insurance (loss of income and increased expenses as a result of an insured loss) can be included under this policy, and specific inquiry should be made to Marsh Canada Limited. Please note that business interruption insurance should also be carried under the club's Property insurance component of the OTA Club Insurance policy.</p>
<b>Cyber Liability</b>	<p>Basic Cyber Liability can be included with this policy. It provides protection against Internet-based risks and more generally from risk relating to information technology infrastructure and technology.</p> <p>To be added to individual Certificate by Endorsement for the Clubs purchasing this coverage.</p>

\*\*\*Please ensure you provide your correct and complete email address

# 6

## Premiums

### 1. Club Court Coverage

#### A. Commercial General Liability

Premiums (Subject to 8% Ontario Retail Sales Tax)	
Commercial General Liability Limit	Premium
\$2,000,000	\$224
\$5,000,000	\$288
\$10,000,000	\$403
Abuse Limit Liability	
\$250,000	\$97
\$500,000	\$157
\$1,000,000	\$423
Sports Errors & Omissions Liability	
\$2,000,000	\$60
\$5,000,000	\$121

*B. Property Insurance*

Rates shown below are to be multiplied by the limit requested (e.g. contents \$10,000 X .00109= \$10.9)

Property Rates	
<b>Contents</b>	.00109
<b>Building</b>	.00109
<b>Tennis Court</b>	.00109
<b>Business Interruption</b>	.00163

**2. Directors and Officers Liability**

Liability Limit per Claim/Aggregate	Premium
\$1,000,000	\$450
\$2,000,000	\$670
\$5,000,000	\$900

**3. Cyber Liability**

Liability Limit per Claim/Aggregate	Premium
\$250,000	\$55



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