

Insurance for volunteers

A Technical Paper
by
Daniel Greening



January 1976
Office of Voluntary Action
State of Washington
1057 Capitol Way, South
Olympia, Washington 98504

INSURANCE FOR VOLUNTEERS

INTRODUCTION

The question of providing adequate medical, automobile, and personal liability insurance for volunteers at reasonable cost has been with us for some time, not only in the state of Washington but nationally.

In an effort to promote and encourage voluntary action in Washington State, Governor Daniel Evans, in 1971 signed legislation mandating that volunteers in State agencies be provided medical protection under the State's industrial insurance system.

This effort though innovative was only a partial measure, for it did nothing about volunteers in local government and private non-profit charitable agencies. In 1974 Governor Evans, again concerned with encouraging voluntary action, appointed an advisory committee to study insurance needs, legislation and other matters. The committee after several months of study and deliberation made two recommendations on the issue of insurance for volunteers.

I. MEDICAL PROTECTION FOR VOLUNTEERS AVAILABLE UNDER STATE LAW

The first recommendation was to extend through legislation procedures allowing volunteers in local government and private non-profit charitable agencies be provided medical aid protection under the industrial insurance system. As of September 8, 1975 this coverage was available on an optional basis to those agencies wishing to cover their volunteers.

Benefits

The benefits under this law will provide for all hospital, medical and surgical expenses arising out of an injury or contraction of disease while volunteering.

To initiate a claim, the volunteer must file with the Department of Labor and Industries. Forms are found at the physicians office and must be filed out at the initial visit for medical treatment. The physician must be advised of the Department of Labor and Industries' workmen compensation coverage. The volunteer must also notify the agency supervisor at the time of the accident, if at all possible.

Major Provisions of the Law

The law has three major provisions:

First, the coverage is optional. Any agency or organization electing to provide coverage for volunteers according to the law must provide that coverage to all its volunteers and cannot "select" some for coverage while denying to others. This requirement has raised some questions in connection with R.S.V.P., the ACTION volunteer program for seniors. People who enroll in R.S.V.P. are provided with health and accident insurance by the R.S.V.P. grantee, but they are often stationed with other agencies for volunteer assignments. Volunteers enrolled

with R.S.V.P. need not be included on any other agency's roster of volunteers, because they are already registered and enrolled elsewhere. The responsibility for defining a volunteer is that of the agency or organization.

Second, volunteers must be registered with the agency in order to be covered. Most agencies probably meet this requirement already, but it will be necessary to review the registration procedure at the time of coverage to be sure it provides sufficient information for the insurance program. Registration procedures must be able to meet audit standards.

Third, volunteers must be performing authorized or accepted work at the time an accident occurs or an industrial disease is contracted in order for the accident or illness to be covered. Records will need to be kept which will allow the agency to certify that the injured volunteer was on duty at the time of the accident. Similar records are, of course, necessary in order to calculate the total number of volunteer hours each quarter as a basis for computing the premiums.

Classification and Rate

The classification number 69-1 was assigned to all volunteer workers (except firemen and emergency service volunteers excluded by law), the rate or premium was set at 1.63 cents (01.63¢) per volunteer hour.

Text

Here is the text of section 2 of the bill as passed (section 1 makes minor modifications on the provisions for coverage of volunteers with state agencies):

"Volunteers may be deemed employees and/or workman, as the case may be for all purposes relating to medical aid benefits under Title 51 RCW at the option of any city, county, town, or special district, municipal corporation or political sub-division of any type, or any private non-profit charitable organization, when any such unit of local government or any such non-profit organization has given notice of covering all of its volunteer to the director prior to the occurrence of the injury or contraction of an occupational disease.

A volunteer shall mean a person who performs any assigned or authorized duties for any such unit of local government, or any such organization, except emergency services workers as described by chapter 38.52 RCW, or fireman, covered by chapter 41.21 RCW, brought about by one's own free choice, receives no wages, and is registered and accepted as a volunteer by any such unit of local government, or by any such organization which has given such notice for the purpose of engaging in authorized volunteer services: PROVIDED, That such person shall be deemed to be a volunteer although he may be granted maintenance and reimbursement for actual expenses necessarily incurred in performing his assigned or authorized duties.

Any and all premiums or assessments due under this title on account of such volunteer service for any such unit of local government or any such organization shall be the obligation of and be paid by such organization which has registered and accepted the services of volunteers and exercised its option to secure the medical aid benefits under Title 51 RCW for such volunteers."

The Future

During the hearings on SB 2322 the possibility of including provisions for compensation for lost time ("sick pay") and disability insurance under the law

was considered; such coverage is of course provided for paid employees. The bill as passed did not extend the coverage that far. During the testimony at the hearings, those who favored the more limited version argued that it would be very difficult to set the premiums for the extended coverage (since there is no necessary connection between a person's volunteer job and the amount of income received from other employment) and that the premiums would have to be substantially higher if such coverage were included, perhaps so high as to discourage enrollment in the program. The Office of Voluntary Action and the Department of Labor and Industries while favoring the more limited coverage at the present time agreed to keep a close watch on the program and to propose further amendments to extend coverage and benefits in the future if need was demonstrated.

Enrollment

The Department of Labor and Industries must be notified in writing to initiate coverage; the form to be used for enrolling will be found at the back of this pamphlet.

II. PERSONAL LIABILITY AND AUTOMOBILE INSURANCE

As to automobile and personal liability insurance for volunteers, the committee determined that legislation did not seem to be the answer, but recommended that volunteer programs and organizations seek group coverage. The committee's research indicated that many organizations already provided volunteers with such coverage. And if not, organizations wishing to protect themselves and volunteers were encouraged to seek consultation with an insurance broker or seek advice from their national organization or affiliation.

The Office of Voluntary Action in researching the question of insurance found that the following insurance companies have written or will write policies for volunteers.

The St. Paul Fire and Casualty Company provides accidental death and dismemberment (AD&D) for volunteer's social action, emergency, and medical assistance groups. The minimum premium is \$50 and coverage must be purchased for all who qualify in an agency (100%). Cost for the first 100 persons in the insured agency will be \$1.50 to \$2.00 per person per year.

The Hartford Company has a special risk accident policy including AD&D and Accidental Medical expense, which can cover travel, as well as onsite activity. Coverage must be purchased for all who qualify in an agency with the premium based on the amount of coverage.

Volunteers Insurance Service (VIS) is a non-profit organization formed with the cooperation of the National Center for Voluntary Action. Its purposes are to research available and feasible insurance plans relating to volunteers, to compile underwriting information, to maintain a central insurance library and design and place insurance plans for volunteers.

For further information about such policies, contact the Hartford carrier listed in your local community or any of the following agents: Safco Insurance Company, Travellers Insurance, Aetna Casualty and Surety, United Pacific Insurance, Continental Casualty Company, Mutual of Omaha, Insurance Company of North America, or the Argonaut Insurance Company. Others may also have such coverage available.

Special policies for volunteers in groups, such as 4-H or Campfire Girls, are available through, among others, United Pacific Insurance Company whose main office is in Tacoma, Washington.

With the exception of Volunteer Insurance Service none of the above named companies were primarily concerned with providing insurance for volunteers. Since volunteers are the primary concern of VIS, its plan is outlined below.

Volunteer Insurance Service

The association recently introduced the VIS insurance plan underwritten by the Insurance Company of North America, which will permit an organization to provide a volunteer personal liability insurance, and through the Hartford Accident and Indemnity Company automobile insurance.

VIS Highlights

Volunteers are covered while performing volunteer jobs.

Payments cannot be made to the agency itself for medical benefits under this program.

It is possible to "average" number of volunteers over the year--if fund-raising campaign employs 1,000 volunteers for three months, payment of premium for 250 volunteers for a year will cover all of them, as long as the register is kept up to date. ~~Volunteers~~ may share an enrollment, i.e., if Charlie signs up for Fall Quarter and Jean for Spring, only one enrollment is needed to be bought.

If a family volunteers, each member of family needs to be covered individually. Agencies decide who are volunteers. Receipt of reimbursement for expenses does not disqualify a person from the coverage, by terms of the policy.

Agencies and volunteers of all types are presently members of VIS. The degree of risk involved in your volunteer jobs is not a function which would preclude coverage.

Medical and Personal Liability

Medical/liability coverage is "primary"--i.e., it pays no matter what other coverage is available.

The medical plan applies only when volunteers are on duty.

Liability coverage extends to any claim of responsibility for the acts of the agency which volunteers were thought to be responsible.

A. Accidental medical coverage

If within 60 days of an accident, injuries to a volunteer requires medical treatment, hospitalization or care of a registered nurse, this benefit will pay the actual cost but not to exceed \$2,500.00, incurred within one year from the date of accident.

Incorrect

For dental care required on account of injury to or loss of natural teeth as the result of an accident, the company will pay the actual cost up to \$500.00 incurred within one year of accident. This benefit, however, does not include dental X-rays.

The aggregate for medical, surgical and dental treatment required from injuries which result from one accident shall not exceed \$2,500.00.

B. Accidental death or dismemberment coverage

When injuries sustained in a covered accident cause a loss within one year from the date of accident, the following benefits will be paid:

Life	\$2,500.00
Both hands, feet or eyes or any combination thereof . . .	\$2,500.00
Either hand, or foot or the sight of either eye	\$1,250.00
Thumb and index finger of either hand	\$ 625.00

Only one amount, the largest to which you are entitled, shall be payable for all injuries resulting from any one accident.

C. Liability coverage

This benefit protects the volunteer for a personal injury and property damage liability claim arising out of the performance of his assignment as a registered volunteer. This does not apply to use of automobiles. The amount of protection is \$1,000,000.00 for each occurrence and is in excess of any other valid and collectible insurance and shall not contribute with such other insurance. This coverage may not be available in all states.

This coverage is available at a cost of \$1.50 per volunteer per year. There is a minimum premium of \$100 for this coverage, which means approximately 65 volunteers would need to be involved for the member agency to "break even."

Auto Liability Coverage

The automobile coverage is secondary, it comes into effect only after other benefits have been exhausted. The coverage does not extend to agency owned vehicles. It covers the privately owned vehicle of the volunteer.

The automobile coverages has limits of \$500,000 each person/\$1,000,000 each accident for bodily injury and \$50,000 each accident for property damage. This is excess protection over insurance carried by the volunteer on his own car or the state's financial responsibility law, whichever is higher.

The annual cost is \$1.75 per volunteer with a \$40.00 minimum premium. Approximately 25 volunteers would be covered by payments of the minimum premium.

Enrollment for Both Plans

The registration forms for both plans can be found at the back of this pamphlet.

Each insuring group is required to pay a \$5.00 registration fee, in addition to the premium.

If as an agency you do not have enough volunteers to meet the minimum premium you may band together with agencies in your community, select a name for your group or association, and the association can become the member, with each agency insuring its volunteers under the association, the group then pays one five dollar registration fee.

The association, umbrella agency or individual member agency will need to maintain a roster of insured volunteers and will be responsible for remitting premium payments to VIS. Premiums can be paid by single check to cover all volunteers, or each volunteer can send payment for individual premiums.

For further information write Michelle Johnson, Volunteer Insurance Service, 5513 Connecticut Avenue, N.W.; Washington, D.C. 20015 or phone (202) 244-5678.

WORKMEN COMPENSATION APPLICATION FORM

return original to:
DEPT. OF LABOR & INDUSTRIES
INDUSTRIAL INSURANCE DIV.
OLYMPIA, WA. 98504

VOLUNTEER WORKERS

NOTICE OF ELECTION TO BE PROVIDED WITH MEDICAL INSURANCE COVERAGE

In accordance with RCW 51.12.035, notice is hereby given that the undersigned employer has elected to insure all persons accepted and enrolled as volunteer workers.

Type of Employer: (Check One)

- City County School District
- Other Political Subdivision or Municipal Corporation _____
(State type of public entity)
- Private Nonprofit Charitable Organization _____
(Explain nature and purpose of charitable activities)

(Coverage cannot become effective prior to receipt of this notice by the Department of Labor and Industries.)

Effective Date of Coverage:

Any workers performing services as volunteers will be registered by the undersigned employer. An actual record of hours worked will be maintained by the employer. A report of such hours will be made quarterly to the Department and will include payment of the medical aid premiums based on such hours at such rates per hour as assigned by the Department. Reporting will be included with the employer's regular quarterly report of payroll as prescribed by the Department; the volunteer workers' hours and premium calculations will be segregated from the record of hours and premium calculations of the employer's paid employees.

It is understood that this election shall not apply to emergency services workers as described by Chapter 38.52, RCW, nor volunteer firemen as defined by Chapter 41.26, RCW.

I, the undersigned, hereby certify that I am authorized to execute this notice of election form on behalf of such public entity or nonprofit charitable organization and that in accordance with RCW 51.12.035(2), medical insurance coverage is to be provided to all volunteers now or hereafter serving such entity or organization until written notice of cancellation of this election has been received by the Department.

Employer Firm Name		Firm Account Number	Date	
Address		City	State	Zip
Submitted By (print or type name)	Official Position	Telephone Number	Signature	

