



A Guide to Insurance for Volunteers

By Maureen S. Aspin and
Steve McCurley

NCVA receives inquiries almost every day about the availability of insurance for volunteers. Questions on accident and various kinds of liability insurance have resulted from an awareness of the increasing number of lawsuits in these areas against individuals, and from fears about the escalating cost of medical care and the need for an individual to have adequate coverage in case of an accident.

Two recent developments have contributed to the growing concern about insurance coverage: an auto accident in which a volunteer paramedic was killed and another injured by an allegedly drunken driver who ran a red light and crashed into their ambulance; and cancellation of the only excess automobile liability insurance for volunteers.

Volunteers are not alone in their concern. Senator Frank Church (D-Idaho), chairman of the Senate Committee on Aging, held hearings this summer on "Transportation and the Elderly: Problems and Progress—The Insurance Issue." In his opening statement on July 12 Church said:

Volunteer drivers had, until recently been covered far supplementary personal liability under a low-cost plan offered by the Volunteers Insurance Service. But the underwriter of the program, the Hartford Insurance Company, has just withdrawn. Unless a substitute underwriter is located, all of the transportation provided by volunteers throughout the nation may be jeopardized.

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There are four general areas of insurance for volunteers:

- **Accident**—Coverage which insures the volunteer when he/she suffers injury, dismemberment or death while performing volunteer duties.
- **Personal liability**—Coverage which insures the volunteer if he/she is sued for personal injury and/or property damage arising out of the performance of volunteer duties.
- **Automobile liability**—Coverage for property damage or bodily injury resulting from operating a motor vehicle.
- **Board liability**—Coverage for volunteer board members against suits brought against the agency board of directors.

WHAT TO LOOK FOR

When considering coverage for the performance of volunteer duties, volunteers should check their own personal policies and those of the organization or state agency where he/she volunteers. Insurance is regulated on a state-by-state basis making it imperative for the volunteer to know the state's regulations governing personal and agency policies.

Insurance companies vary in their coverage of volunteer work. On individual (personal) policies, volunteer work is often considered unpaid employment and therefore is not covered. In this instance, the insurance company maintains that coverage is only for time spent outside the workplace. Private or state agency policies may not include the volunteer as an employee because there is no financial reward in the work.

It is also important to determine whether the policies offer secondary or primary coverage. Secondary (excess) coverage applies only if the volunteer is already covered in a specific category by his/her own policy and the claim exceeds the limits of that policy. Primary coverage applies no matter what the

volunteer's own policy provides in benefits.

Personal Policies

The volunteer should check to see if his/her personal policies consider volunteer work employment. If not, often it is possible to have the coverage extended to volunteer duties. Some voluntary agencies will reimburse the volunteer for the difference.

Auto insurance—It may be necessary for the volunteer to inform the insurance company and/or the motor vehicle department of his/her volunteer duties.

Accident insurance—The policy may not cover accidents that occur while volunteering and it may not allow excess coverage.

Personal liability—In most cases the volunteer's homeowner's policy will not extend to employment, paid or unpaid, as insurance companies expect the place of work to provide this coverage.

Private Agency Policies

The volunteer should find out if he/she is covered by the volunteer agency's policies and if it is primary or secondary coverage.

Auto insurance—If the agency uses vehicles regularly to conduct its business, it may be possible to extend its automobile coverage to include volunteers. If the volunteer needs to use his/her own car for performing volunteer duties, the agency should carry insurance to cover the volunteer. It is called "not owned or hired automobile insurance."

Accident and personal liability—This insurance coverage for paid employees may include volunteers. If not, it may be possible to have volunteers included.

Worker's Compensation—Basically, only accident coverage applies to volunteers under Worker's Compensation, since generally they would not qualify

for compensation to replace income from the job. However, volunteers should check carefully this section. In a 1976 survey NCVA identified 15 states which in at least some instances include volunteers in Worker's Compensation accident benefits. These states are Alaska, Arizona, California, Colorado, Hawaii, Illinois, Minnesota, Missouri, Nevada, New York, North Dakota, Oregon, Pennsylvania, Washington, Wisconsin.

State Agency Coverage

It is just as important for the volunteer to be familiar with the state agency's coverage as it is with personal policies.

Auto insurance—A state agency's insurance plan often includes protection for volunteer drivers when they have access to state vehicles.

Accident insurance—No state covers all volunteers for accidents.

Personal liability—Only 12 states offer personal liability plans: Alaska, California, Florida, Hawaii, Idaho, Illinois, Indiana, Missouri, New Jersey, New York, Virginia, Washington.

Although insurance coverage may not make the difference in a person's choice to volunteer, the realities of lawsuits and expensive medical care make it imperative for a volunteer to know what coverage there is while performing volunteer duties. Legal precedent has established that the creation of a volunteer program makes the sponsoring agency legally responsible for that program. The volunteer who assumes duties in such a program is also legally responsible.

The volunteer might consider the questions below when investigating appropriate insurance coverage for performing volunteer work:

- How does your personal insurance treat volunteer work?
- Does the agency for which you volunteer have coverage for you?
- If not, can its insurance be expanded to cover volunteers and is the agency willing to do that?
- What are the amounts of coverage in the agency's plan and is it primary or excess (secondary) insurance?
- Is the coverage automatic or do you need to enroll?
- When does the coverage start?
- When and where are you covered?

- Do you have to make a financial contribution for that coverage?
- Who do you contact about claims?
- Do you need to keep a record of your volunteer hours?
- If your own coverage is expanded to include volunteer work, will the agency reimburse you?

NCVA is always interested in learning about the particular problems or successes of volunteers and agencies in acquiring insurance. We have advocated the availability of insurance for volunteers for a long time and are continuing the effort with individual companies. Please direct any questions to NCVA's National Affairs department.

INSURANCE POLICIES FOR VOLUNTEERS

Group Insurance for Volunteers

- Liability protection for bodily injury and property damage and for a legal defense fund up to \$500,000 per person. Costs for this policy are scaled according to the number of volunteers. There is a minimum annual premium of \$90. Contact:

Alan Levinson
Group Insurance for Volunteers
4801 Kenmore Ave., Suite 119
Alexandria, VA 22304
(703) 751-8886 (collect)

National Recreation and Park Association

- Personal liability insurance with \$1,000-000 protection in excess of any other valid or collectible insurance. The cost is \$10 per person for 12 months or \$5 per person for six months. The minimum premium is \$30. (Underwritten by Centennial Insurance Co.)
- Accident insurance program including accidental death and dismemberment with \$2,500 maximum coverage; and accident medical expense with maximum benefit of \$15,000 in excess of any other applicable hospitalization insurance. The cost is \$1 or 75 cents per person according to the plan selected. The minimum premium is \$200. (Underwritten by Hartford Accident and Indemnity Co.)
- Team sports accident insurance program including accidental death and dismemberment with \$2,500 maximum coverage, and accidental medical expense with maximum benefit of \$15,000 in excess of any other applicable hospitalization insurance. Cost varies according to age of insured and sport. The minimum premium is \$50. (Underwritten by Hartford Accident and Indemnity Co.)

To be eligible for any of these policies an agency must be an organizational member of NRPA (\$100 per year) and must have a recreation program. Contact:

National Recreation and Park Association
1601 North Kent St.
Arlington, VA 22209
(703) 525-0606

St. Paul Fire and Marine Insurance Co.

- Accidental death and dismemberment policy with \$5,000 maximum coverage
- Accidental medical expense policy with \$2,500 maximum coverage
- Accidental hospital indemnity with \$10 per day for maximum of 365 days

Costs for these policies are scaled according to the number of people in the organization with a minimum premium of \$50. There must be 100% participation. For further information, contact your local Independent Agent.

Travelers Insurance Companies

Travelers does not have a national program but will consider individual agency requests. One agency, for instance, has an excess liability plan through Travelers. For further information, contact your local Travelers or Independent Agent.

Volunteers Insurance Service

- Accidental medical with \$2,500 maximum coverage in excess of benefits from any other insurance for which the volunteer is covered or eligible
- Accidental death or dismemberment with \$2,500 maximum coverage
- Personal liability with \$1,000,000 protection in excess of any other collectible insurance. (Note: VIS formerly offered excess automobile liability and board of directors insurance. Excess auto insurance is still available for ACTION-funded programs for older volunteers—RSVP, Foster Grandparents and Senior Companions.)

Coverage for the two accident policies is 85 cents per volunteer and 65 cents per volunteer for personal liability. VIS is a non-profit organization to which a \$5 membership fee must be paid. There is a minimum premium of \$100. (Underwritten by Insurance Company of North America.) Contact:

Velda Lawrence
Volunteers Insurance Service
5513 Connecticut Ave., NW
Washington, DC 20015
(202) 244-5678