

# Insurance Requirements for Every Echelon

All JWV Posts and Departments are required to carry two types of insurance, Fidelity Bond and Liability, in order to be in Good Standing. These two insurance types cover different areas of risk and, combined, fully protect JWV.

## 1. Fidelity Bond Insurance

### *What is it?*

A fidelity bond is a form of insurance protection for your echelon's funds. It covers an echelon for losses resulting from embezzlement or fraudulent acts committed by individuals who have access to echelon funds. In other words, if the Post officers who handle the money are stealing, fidelity bond insurance helps cover financial losses.

### *What's the purchase process?*

The JWV National Constitution requires National to purchase a blanket fidelity bond insurance policy to cover all echelons and then bill each echelon for their share. If your echelon does not send in payment for the fidelity bond insurance, it is automatically deducted from Per Capita refund check(s).

Currently, National purchases the insurance annually with coverage lasting January through December. This means your echelon must pay the fidelity bond fee every year.

What can you do to ensure we receive the best (aka cheapest) rate?

All echelons should have procedures in place to prevent embezzlement or fraud from occurring in the first place. Please see the Post Financial Checklist to learn what you can do to improve financial practices and maintain secure funds.

## 2. Liability Insurance

### *What is it?*

Liability insurance is a form of injury and damage protection. It protects your echelon from liability in the event of an occurrence at a JWV function. This is a Legal Liability Insurance Policy, covering claims against your echelon for 'Bodily Injury, Property Damage, and Personal Injury' during the insurance policy period and within the coverage territory. In other words, if someone gets hurt at a JWV event and sues your echelon for damages, if your echelon is found responsible, it would be covered for the amounts listed on the liability information sheet.

### *Who needs liability insurance? I mean, we meet at the JCC, don't they have insurance?*

All echelons need it, regardless of where they meet. If someone attends your meeting/event and is injured, no matter where it is held, as the sponsor of the event, you may be held liable, along with the meeting venue. If you are held liable and do not have insurance, JWV National's assets could be brought into risk, and that puts the whole organization at risk.

### **Special note on fundraising events:**

Most stores and other popular fundraiser locations will only allow groups with proper proof of liability insurance to set up in front of their locations. So if, for example, during a Post poppy sale in front of the supermarket, someone gets a paper cut from a poppy tag and decides to sue the store for traumatic injuries, the store knows you have the proper policy to cover it.

Just recently, a Post in Florida was denied their usual request to hold a poppy drive in front of Publix's supermarket because the store requested proof of liability insurance and they could not provide one. Another Post in Nevada was all set to hold an annual event, and for the first time, they too were asked for proof of liability insurance. They thought they could just purchase a one-day policy, but were shocked to learn the cost of one-day coverage was over \$500!

### **Anything else included in this coverage?**

Yes, non-owned auto insurance must be included. This basically expands the liability coverage to cover injuries/accidents sustained through automobile incidents. For example, suppose several members will be riding in a member's car on their way to a post activity. On their way, the car is involved in an accident and someone is injured. If the individual who owns the car does not have either the proper, or enough auto insurance, the injured individual may go after the post or JWV to recover damages. This is when the need for the non-owned auto insurance is vital.

### **What is the purchase process?**

You have two options. Purchase liability insurance through National's negotiated rate with Traveler's Insurance or buy from an independent insurance broker in your area. Regardless of where you buy it, your echelon must both purchase the amount of insurance coverage required by JWV and list JWV National as the additional insured. More information about insurance amounts are listed on the post liability information sheet.

The advantage to purchasing your liability insurance through National is that the rate is generally cheaper. National gets a very good negotiated rate because it "buys in bulk." If you call insurance brokers in your area and ask them to price liability insurance, you will confirm that National offers the best rate.

### **If you buy through National, when is payment due?**

Post Liability insurance is in effect from October 31 through November 1 of the following year. Renewal/sign-up notices are sent to all Commanders and Quartermasters the first week of October. The final deadline to purchase is November 1, 2017. The deadline is set by the insurance carrier, and National will not be able to accept renewal payments after this date.

### **If you buy on your own, what does National need from us?**

National needs a copy of your echelon's certificate of insurance (COI) and signed JWV waiver. This is also due by November 1, 2017.