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“THE CIRCLE OF SAFETY”

CONSUMER AWARENESS ADVISOR

News and Tips to Make Your Life Easier, Safer and Happier!

For Friends and Clients of PDCM Insurance

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How Your Volunteers Impacts Your Insurance Policy

There are at least three situations involving volunteers where issues of coverage arise. First, if an organization's volunteer causes injury or damage to parties, will the **Commercial General Liability** policy respond in their defense?

The answer is yes; to the extent the policy usually provides coverage for an insured. In 2001, the ISO CGL policy was amended to clarify the inclusion of “volunteer workers” of the insured as “an insured.” In the policy, the “volunteer worker” is defined to include a person who is not an employee of the named insured, who donates their work and acts at the direction and within the scope of duties determined by the named insured and is not paid a fee, salary or other compensation.

The second situation involves the scenario where a volunteer causes injury to another volunteer or to an employee of the named insured. In this case, the CGL specifically does not consider the offending volunteer to be an insured and the policy would not respond in their defense. That volunteer would be forced to look elsewhere for defense coverage, probably their own homeowners policy.

Finally, what about a volunteer who is injured while volunteering, whether due to the negligence of an employee, another volunteer or perhaps a defect on the premises? Medical payment coverage would be available to that volunteer thanks to the most recent changes to the CGL coverage form. Of course, the amount of coverage available under medical payments may be inadequate to cover the costs of medical treatment. Also, the volunteer would not qualify for workers' compensation benefits (in most imaginable scenarios), so alternatives might deserve consideration. Insureds using volunteer workers routinely may wish to purchase an accident policy to cover the medical costs associated with their injury on the job, or for added protection, an industrial accident policy that could compensate volunteers for seriously debilitating injuries.

We are here to help you with more information or questions you may have please give us a call at 319-234-8888.

Source: Independent Insurance Agents of Iowa 7/15/04