

# CORA Insurance: What it Covers and The Issues

Our insurance is LIABILITY insurance (5 million) that covers premises, personal injury/bodily damage, errors & omissions, and non-owned automobile .

## All Sport Presently Covers

- CORA Board/Executive for our operating budget, and errors & omissions
- 28 clubs, the premises that are run by them AND their Boards of Directors, including coaches and volunteers and THEIR OPERATING BUDGETS;
- Individual paddling members protection for liability involving for day-to-day paddling activities and operations
- Covers CORA sponsored events (e.g. races) and club training events (racing, club trips, etc.), and protects the clubs hosting the event.

# BACKGROUND

In September, All Sport approached CORA wanting to update its records to get a firmer picture of “what they were protecting.” This led to the questionnaire on the 2009 Club Membership form.

It also came to light that All Sport had little understanding on how CORA actually operated which led to All Sport reconsidering the risk that CORAs operations presented, namely the issue of Clubs reporting only “racing” members and what the risk “non-members” presented to them (primarily from clubs without secondary insurance).

They see the recreational paddler who may belong to a CORA club, BUT individually is NOT a CORA members, as an unnecessary risk.

Unfortunately, there has been a pervasive assumption (which is incorrect) in the paddling community that you do not have to personally belong to CORA if you do not race, and the vocal complaints to All Sport by recreational paddlers has caused All Sport concern. It also came to light that All Sport was covering some clubs board members whom themselves were not members of CORA.

# 1. Protect the CORA Executive and Board ONLY for operations.

This would cost \$3500.00 but gets us nothing.

# 2. Protect the CORA Executive/Board and the CORA Sanctioned Race Series ONLY (based on approximately an average of 200 racers/race).

This would cost us about the same we presently pay (~\$5200.00) but it would not provide any coverage to clubs. Each club would be on the hook for their own insurance (covering their boards and operations against liability).

The base cost for insurance from All Sport for a club (with 5M) liability is \$3500.00. For larger clubs (most of whom have additional insurance anyway), this may not be an issue, but for smaller clubs, it would be a considerable hardship and may force small clubs to close operations.

Individual racers would still be required to purchase individual membership.

All Sport is actually recommending this because,  
it lessens the overall risk and is less headache for  
CORA.

### 3. Cover Everybody:

- CORA Board/Executive (operating budget, Board insurance against omissions and errors)
- CORA Clubs (BoDs, operating budgets, premises they run, and Race/CORA Sanctioned Events)
- Racing and Training Members who participate in CORA sanctioned events and in day-to-day paddling activities.
- *The recreational paddler who does not race (based on an estimate in numbers).*

This option will effectively triple our insurance costs from \$5200.00 a year to approximately \$15,000.00 a year.

## WHAT IT DOES NOT COVER

It does not cover a paddler in NON-SANCTIONED CORA events.

Examples: Catalina, Queen Lili, Molokai, training camps such as Waters Edge or Pogue Sports.

This also includes other paddling events like CKBC/CKC events, commercial races (e.g. Big Swell, Yukon Quest, etc.) which is why in some clubs, the insurance is duplicated with another NSO/PSO.

# What Are The Ramifications

Any option other than Option 3 would result in the clubs needing to purchase additional insurance which may not be financially feasible and essentially drops these clubs into the deep end. It may force the closure of smaller clubs or force those clubs to use all their operating budget on insurance alone.

One positive note is that clubs who operate secondary insurance (and don't require additional NSO/PSO coverage, may wish to cancel that secondary insurance (saving them \$).

If CORA chooses to maintain coverage on everyone, then to offset the tripling of our insurance, fees must be increased to offset some of the expenses, and primarily, it would be the club fees that would see the increased.

# What CORA Needs to Do

- Determine the level of protection it deems necessary.
- Provide All Sport with our choice and the information they requested.
- Do we need to find ways to enforce individual membership in cooperation with the clubs in order to ensure that individual members are paying their dues to help us offset the remainder of the additional cost. Increasing club fees alone will not offset this cost, but if clubs enforce individual memberships those fees can help.

All Sport appreciates that this is complicated for us and is giving us some breathing room while the decisions take place. They are willing to give us ONE YEAR grace assuming that CORA is operating in good faith to resolve this problem. We should however, resolve it much sooner.