

IAABO Insurance Program

2017-2018

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Presentation Overview

- **Insurance Coverage – Benefits & Limits**
 - General Liability (GL)
 - Accident Insurance
 - Game Fee Reimbursement Coverage
- **The Accident Claims Process**
- **Why Officials Should Purchase Insurance**
- **D&O Liability for IAABO Boards**

Benefits of Membership

General Liability

- Pays for claims arising out of **bodily injury and property damage** – includes providing a legal defense for IAABO, IAABO Boards, and Member Officials

Excess Accident

- Pays medical bills on a secondary basis for injuries that occur during officiating activities including direct travel to and from events
- Game fee reimbursement benefit after 7 day waiting period

General Liability Coverage

- \$3,000,000 Per Occurrence
- \$5,000,000 Aggregate Per Official
- Participant Legal Liability Included (suit from a player)
- No Deductible
- No Player vs Player Exclusion (suit resulting from a fight)
- Covered for “any game, anywhere”
- Carrier: Markel Insurance Company

Accident Coverage

- \$25,000 Medical/Dental Expense Maximum per injury
- \$10,000 Accidental Death & Dismemberment
- \$5,000 Deductible per injury
- \$10,000 Catastrophic Cash Benefit (coma/paralysis)
- Game Fee Reimbursement up to \$50 per game
- \$2,000 Max Payout per Policy Period
- 7-Day Waiting Period
- Carrier: Markel Insurance Company

Accident Claims Process

- Request Claim Form from IAABO / Borden Perlman
- Fill out Claim Form completely with all required information and signatures
- Return to IAABO for approval signatures
- IAABO or Claimant forwards to Claims Administrator
- Claimant works directly with Claims Administrator to provide any additional bills, forms, or information

Reasons to Purchase IAABO Insurance

- **Game Fee Reimbursement**
 - If you are injured while officiating and have to miss the rest of the season, you can recoup some of that lost income
 - Being reimbursed for one missed game (\$50) will more than pay for the cost to purchase the insurance for 7 years
- **Liability Protection**
 - Covers bodily/personal injury and property damage
 - Bodily injury also includes defamation and negligence
 - Cost to defend a lawsuit is paid by the insurance company
 - Meeting sites for board meetings may ask for a certificate of insurance

Examples of Lawsuits

There are 2 main areas in which suits against basketball officials are filed:

Negligence

Claims can arise based on official's failure to inspect the court, control the game, etc.

- *Example: Spectator crosses the court and a player collides with the spectator. Official and board could be sued by both the spectator and the player for negligence to keep the playing area safe and clear. Even if the suit has little possibility of going anywhere, who is going to pay for your legal defense?*
- *Example: Player is attacked by opponent and sues official alleging that referee negligently failed to protect him.*
- *Example: Injured player alleges that an official failed to control the game by not calling fouls or technical fouls, leading to a much rougher game and resulting in the player's injuries.*

Examples of Lawsuits - continued

Judicial Review of Official's Decision on the Court

Calls made on the court can be a basis for a suit, even if plaintiff doesn't have a legitimate claim, the cost to defend such a suit is costly

- *Example: Athletes file suit against officials claiming that the ref was not following proper procedures in the game, thus affecting their opportunity to secure college athletic scholarships.*
- *Example: Actual IAABO claim – During a game, the coach is arguing with official over calls that he claims were not being made. Coach was accused by the official for using vulgar language and threatening him. Official ejected him from the game and the coach was escorted from the gym by a police officer. Official wrote a report of the incident which was emailed to the Board of Ed, which was the coach's employer. Coach sues the official, the school district, and local newspaper for defamation. The coach claims that the emailed report was false and defamatory, that he was greatly injured in his credit and reputation, and suffered great pain and mental anguish.*

Directors & Officers Liability

- This plan is made available to IAABO Boards and provides protection for lawsuits alleging damages against not only directors and officers, but also Member Officials of the IAABO Boards, for wrongful acts, errors and omissions not involving bodily injury.
- It provides coverage against such claims as discrimination and wrongful suspension or dismissal of officials.
- Limits of \$1,000,000 per claim are available for an annual premium of \$495. Higher limits are also available.

D&O – Why It's Needed

- Without D&O insurance, board members can be held personally liable with their own personal assets at risk to pay for defense costs.
- Average cost of defending a D&O Claim closed by litigation is about \$150,000
- Examples of D&O Claims:
 - A member official sues their own board for discrimination because they feel they are not getting assigned enough games, can be age or gender discrimination.
 - An official files suit against their former board after they feel they are unfairly dismissed from the board.

Thank You!

