

# The Air Cadet League of Canada



## Insurance Coverage

Understanding our Policies

**2021 -2022**

# INSURANCE COVERAGE TO THE AIR CADET PROGRAM

## General

### WHY INSURANCE COVERAGE?

The Cadet Program is one of the largest federally sponsored youth programs in Canada and includes the Royal Canadian Sea Cadets, Royal Canadian Army Cadets and the Royal Canadian Air Cadets. The Department of National Defence has overall responsibility for the Cadet Program and is supported by the Navy League, the Army League, and the Air Cadet League of Canada.

As an independent and federally incorporated registered charity, the Air Cadet League of Canada (ACL) must secure appropriate liability and property insurance coverage. Additionally, the ACL has assumed the responsibility to insure cadets, volunteers, and League employees against risk by contracting and administering sufficient insurance coverage to protect them while they assist in the delivery of the Air Cadet Program.

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#### ACL Insurance Coverage

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# POLICIES IN EFFECT

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The ACL has contracted several policies that cover different aspects of the program:

## Part I - General Insurance (BFL CANADA)

- Accidental Death, Dismemberment (AD&D) and Specific Loss Indemnity
- Commercial General Liability
- Umbrella Liability
- Owned Auto Insurance
- Not for Profit Directors and Officers Liability Insurance
- Cyber (Privacy & Security) Liability Insurance

***It is important to understand the key factors that determine whether a cadet or League employee/volunteer has coverage under ACL's insurance policies. The primary condition is the activity during which the incident occurred MUST be an authorized activity, whether by the Air Cadet League or the Canadian Armed Forces. Furthermore, any activity involving cadets MUST be authorized by the Canadian Armed Forces. Should a claim occur, the Insurer will require confirmation the activity was in fact authorized in accordance with instructions from the appropriate authority.***

## Part II- Aviation Insurance (BFL CANADA)

- Commercial Aviation Insurance (To provide coverage for aircraft physical damage, spare parts, personal injury, aircraft liability, medical coverage).
- Aviation Liability Insurance (To provide coverage for any airport premises owned by, leased to or occupied by the League as well as flight operations.)

### WHO DETERMINES THE PREMIUMS AND HOW ARE THEY PAID?

Premiums are determined by the insurance carrier and may increase from time to time. These costs are paid up front by the National Office of the ACL.

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# PART I – General Insurance

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**\*\*\* Please note: None of the General Insurance or Aviation Insurance policies contain any coverage for COVID-19 related claims, whether it be a member contracting the disease at a sanctioned event, or allegations by third parties that the Air Cadet League is responsible for them contracting the disease.**

**As COVID-19 is a global pandemic and could conceivably affect every part of the world, insurance companies have no way to collect enough premium to pay the contemplated claims should a worst-case scenario occur. \*\*\***

## AD&D Insurance

This policy provides coverage for injuries resulting from an accident only while, and or during a sanctioned event. The coverage is not designed to be a primary policy. It is designed to be a **contingent and complimentary coverage** that gaps where any other coverage, whether provincial health coverage, private medical or dental coverage, coverage provided by car insurance policies, etc. where limits may be exhausted or expire. For example, where a cadet requires chiropractic treatment due to injury and has coverage under another benefit plan providing similar benefits, plans will be coordinated.

Individuals, including members of the Canadian Forces (CF) and Civilian Instructors who are under contract to the Department of National Defence (DND) and whose liability and accident benefits are assumed by DND, are not covered by the Air Cadet League insurance.

### WHO IS COVERED?

All Cadets and visiting cadets ages 12 to 22, all League members, volunteers, escorts, and paid staff are covered under this policy. The age limit is 85 years of age.

### WHAT COVERAGE IS PROVIDED?

In general terms, the following benefits are provided under the accident policy:

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- Accidental death and dismemberment benefit.
- Accident Reimbursement Benefits include expenses incurred for: hospital services; licensed ambulance services; the employment of a registered nurse; reasonable and customary treatment by a licensed chiropractor or osteopath; rental of crutches, medical appliances; prescription drugs; cost of splints, trusses and braces; physiotherapy when recommended by a legally qualified physician or surgeon; the initial purchase of a hearing aid, glass eye or orthopedic prosthesis; x-rays.
- Accidental dental expense benefit.
- Rehabilitation benefit.
- Repatriation benefit.
- Family member transportation benefit.
- Home alteration and vehicle modification benefit.
- Seat belt benefit.
- Tutorial expenses (cadets only).

## **WHAT CIRCUMSTANCES ARE NOT COVERED?**

Note that cadets are covered while travelling directly from home or school to the cadet activity and directly from the cadet activity back home. However, any stops in between the point of departure and the cadet activity will terminate the coverage.

Parents transporting cadets in their own vehicles assume liability for the cadets under their own auto policies and must have sufficient auto insurance in compliance with the laws of the province in which they live.

Some accident coverage is provided directly by the CF, such as some emergency dental and medical attention and eyeglasses damaged during authorized cadet activities and the care for cadets at summer camps.

Policy details and limitations are contained in the insurance policy administered by the National Office of the ACL.

## **REPORTING PROVISIONS**

In the case of an occurrence that could lead to a claim, immediate notification to the ACL National Office is mandatory. The National Office will then immediately notify in writing, the Insurance Company. The National Office must be notified of as many specific details that happened as possible. Example: day, time and place of occurrence, persons involved, names and addresses, injured parties, witnesses, description of incident.

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### **ACL Insurance Coverage**

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In the event of accidental injury to an insured person, the **ACC30** needs to be completed and forwarded without delay to Air Cadet League Headquarters. All claims must be reported **within a period of 30 days from date of accident.**

**In case of a claim or suit against the League**, the ACL National Office shall forward immediately every demand, notice, summons or other process received. **The only point of contact with the Insurance Company will be the National Office of the Air Cadet League of Canada.** All communication must be directed to the National Office.

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## Liability Insurance

*Underlying policies include Commercial General Liability and Umbrella Liability*

### WHO IS COVERED?

**The liability insurance policy will cover any alleged negligent or negligent actions of cadets against a Third Party. The policy excludes unlawful actions. The Named Insured includes** the Air Cadet League of Canada and its affiliates (including provincial/territorial committees, squadrons & local Sponsoring Committees), paid staff and all volunteers. Since CIC Officers and CIs are defended by DND/Ministry of Justice, they are not covered under League liability insurance.

### WHAT COVERAGE IS PROVIDED?

**The insurance company will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of bodily injury or property damage to a Third Party to which the policy applies. The policy extends to include coverage for the following;**

- Personal and Advertising Injury;
- Professional Services;
- Abuse;
- Voluntary Medical Payments;
- Tenants Legal Liability;
- Non-Owned Automobile;
- The Insurance Company will also pay all legal and other costs incurred **with their consent** in the defense of any claim against the Insured.

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#### ACL Insurance Coverage

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## CONDITIONS OF COVERAGE

- Certificates of insurance, naming the insured as additional insured, must be collected from all 3<sup>rd</sup>-partycontracted entities (service contractors, etc.) with minimum \$5M CGL limits.
- First aid & CPR to be available on-site for athletic activities and events.
- The territory restriction to Canada can be removed with further activity detail; additional premium will apply.
- Non-Owned auto: this coverage is applicable to private passenger vehicles only, for vehicles used within the scope of the insured's business, **and short term rentals under 30 days**. Coverage does not extend to hired or rented public transportation or passenger hazard.
- if an outside entity requires additional-insured status, please advise and it will be discussed we can discuss with Everest using the form CGL-045 endorsement.

## WHAT CIRCUMSTANCES ARE NOT COVERED?

- Liability for the actions where a member acts in a criminal or willfully negligent manner or ignores policies or directions from DND, the Government of Canada or the ACL will not be covered.
- Liability arising from the use of pyrotechnics and explosives
- Liability for activities outside Canada
- Liability arising from communicable diseases, viruses (including but not limited to COVID-19) and bacteria
- Neurodegenerative injuries suffered by participants in any sporting event, practice or activity

## CERTIFICATES OF INSURANCE

Certificates of Insurance may be issued on request to a cadet squadron where proof of insurance is requested by a Landlord or Association that is permitting the cadets to operate on their property. These certificates are "event specific" but can sometimes be issued for "Block" proof of coverage, for example for use of a facility on a weekly basis during an extended period of time. Requests for certificates should be submitted using the online application form.

## REPORTING PROVISIONS

If an occurrence happens, the ACL National Office must be notified immediately. The National Office in turn, must notify, in writing, as soon as possible the Insurance Company. The National Office must be notified of the time and place of the occurrence as well as the names and addresses of any injured people and witnesses. All claims must be reported within a period of 30 days from date of incident.

**Should a suit or claim be** brought against the League, the ACL National Office shall forward immediately every demand, notice, summons or other process received. The only point of contact with the Insurance Company will be the National Office of the Air Cadet League of Canada. All communication must be directed through the National Office.

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# Directors and Officers Insurance

## WHO IS COVERED?

The policy has a broad language Named Insured definition, which covers the Air Cadet League of Canada (the Organization and all its affiliates as defined in the League bylaws and policies), Employee and Volunteers of the Organization past, present or future, Outside Entity Executive, any and all new persons who become Board or Executive members, any past Board or Executive members, and spouses.

## WHAT COVERAGE IS PROVIDED?

This policy shall pay as follows:

**Side A:** Individual Insured loss arising from claims with respect to the Directors and Officers for any actual or alleged Wrongful Act for defence costs and potential settlement.

**Side B:** Entity Coverage – this is for organizational losses arising from a claim first made against an Individual Insured. This is to reimburse costs paid to Individual Insureds. These are non-indemnifiable losses.

**Side C:** Organizational Losses arising from a claim for actual or alleged wrongful acts of the organization. These are indemnifiable losses.

## WHAT CIRCUMSTANCES ARE NOT COVERED?

Policy details and limitations are contained in the insurance policy administered by the National Office of the ACL.

## REPORTING PROVISIONS

**The policy is written on a claims- made basis. Should a potential claim arise, the ACL National Office must be notified immediately. The National Office in turn, must notify, in writing, as soon as possible the Insurance Company. The National Office must be notified of the time and place of the occurrence as well as any other pertinent details. All claims must be reported immediately or when first notified that a potential claim gives rise.**

If a claim is made or suit is brought against the League, the ACL National Office shall forward immediately every demand, notice, summons or other process received. The only point of contact with the Insurance Company will be the National Office of the Air Cadet League of Canada. All communication must be directed through the National Office.

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# Cyber (Security & Privacy) Liability Insurance

## WHO IS COVERED?

The Air Cadet League of Canada and its affiliates (including provincial/territorial committees, squadrons & local Sponsoring Committees), paid staff, cadets and all volunteers.

## WHAT COVERAGE IS PROVIDED?

**This policy defends and indemnifies the Insured Organization against allegations that their negligence resulted in Data or Security Breach that may result due to the release of personal or organizational information, in either electronic or physical (paper) form.**

### First Party Loss Coverage- Organization et al.

- **Business Interruption as a result of Security Breach or System Failure that you first discovered during the policy period.**
- **Cyber Extortion**
- **Data Recovery**
- **Payment of Breach notification to Third Party**

### Third Party Loss

- **Data Breach**
- **Security Breach**
- **Failure to Timely disclose data breach**
- **Failure to comply with Privacy Policy**
- **Regulatory Defence and Penalties**
- **Payment Card Liabilities and Costs**
- **Media Liability**
- **E-Crime**
- **Criminal Reward**

## WHAT CIRCUMSTANCES ARE NOT COVERED?

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## REPORTING PROVISIONS

**The Cyber policy is written on a claims made and reported basis and applies only to claims first made against the organization during the policy period. If a suspected claim ensues, the ACL National Office must be notified immediately. The National Office in turn, must notify, in writing, as soon as possible the Insurance Company. The National Office must be notified of the time and place of the occurrence as well as any other pertinent details.**

**All claims or potential claims must be reported immediately**

If a claim is made or suit is brought against the League, the ACL National Office shall forward immediately every demand, notice, summons or other process received. The only point of contact with the Insurance Company will be the National Office of the Air Cadet League of Canada. All communication must be directed through the National Office.

## CONDITIONS OF COVERAGE

**Confirmation that a security awareness training programs is provided to employees and volunteers on recognizing common cybercrime and information security risks, including social engineering, online fraud, phishing and web-browsing risks.**

**Confirmation of implementation of use of MFA (Multi-factor Authentication - Two Factor Authentication) for email account access and for all remote access to networks.**

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# PART II – Aviation Insurance

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## Aviation Hull & Liability Insurance

### WHO IS COVERED?

The Air Cadet League of Canada and its affiliates (including provincial/territorial committees, squadrons & local Sponsoring Committees), paid staff, Canadian Armed Forces personnel, cadets and all volunteers.

### WHAT COVERAGE IS PROVIDED?

#### Aircraft Hull

Coverage against the risk of physical loss of or damage to the League's aircraft as a result of an occurrence both while the aircraft is in flight and while it is not in flight. A fixed wing aircraft is in flight from the time it moves forward or takeoff and until it completes its landing run.

#### Aircraft Liability

Legal liability arising out of bodily injury, mental anguish, personal injury and damage to someone else or their property resulting from the ownership, maintenance or use of the aircraft.

### WHAT CIRCUMSTANCES ARE NOT COVERED?

Policy details and limitations are contained in the insurance policy administered by the National Office of the ACL.

### REPORTING PROVISIONS

If an occurrence happens, the ACL National Office must be notified immediately. The National Office in turn, must notify, in writing, as soon as possible the Aviation Managers. Notify the National Office, of the time and place of the occurrence as well as the names and addresses of any injured people and witnesses. If a claim is made or suite is brought against the League, the ACL National Office shall forward immediately every demand, notice, summons or other process received. **The only point of contact with the Insurance Company will be the National Office of the Air Cadet League of Canada. All communication must be directed through the National Office.**

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# Aviation Liability Insurance

## WHO IS COVERED?

The Air Cadet League of Canada and its affiliates (including provincial/territorial committees, squadrons & local Sponsoring Committees), paid staff, cadets, Canadian Armed Forces personnel, and all volunteers, but only with respect to the liability arising from the operations of the Named Insured.

## WHAT COVERAGE IS PROVIDED?

This policy covers bodily injury or property damage caused by an occurrence and arising out of:

- i) The ownership or maintenance of the covered premises, defined as any airport owned by, leased to or occupied by the Named Insured in Canada.
- ii) Covered Operation defined as flight operations of the Named Insured.
- iii) Automobile Liability while vehicles owned by the Air Cadet League of Canada are being operated on airport premises.

## WHAT CIRCUMSTANCES ARE NOT COVERED?

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## REPORTING PROVISIONS

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