

The Air Cadet League of Canada



Insurance Coverage

Understanding our Policies

2023-2024

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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.

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.

WHAT IS COVERED?

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.

COVID EXCLUSION

****** 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. ***

POLICIES IN EFFECT

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

Part II- Aviation Insurance (BFL CANADA)

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

PART I – General Insurance

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, (provincial health coverage, private medical, dental, or coverage under car insurance policies, etc.) exists. When those limits are exhausted or expire the AD&D policy will trigger. For example, where a cadet requires chiropractic treatment due to injury and the primary plan has exhausted the amount allocated under that plan, the AD&D policy would pick up the additional expenses. The AD&D policy becomes primary only when no other coverage is in place.

Individuals, including members of the Canadian Armed Forces (CAF) 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. Coverage expires at age 85 years old.

WHAT COVERAGE IS PROVIDED?

Coverage is provided as per below and with respect to all terms and conditions as outlined in the issued Policy by the Insurer.

- 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?

Cadets are not covered while travelling from any point to the activity and any stops in between, nor from leaving the activity to home. Coverage is **ONLY** provided and begins from the time the activity begins until it ends.

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 CAF, 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 injury that could lead to a claim, the claim form provided by IA requires completion.

[Claim-Form](#)

**This form is then submitted directly to IA Financial Group Claims Department
1611 Cremazie Blvd. East, Suite 900 Montreal, QC H2M 2P2**

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. In case of a suit, all claims must be reported to the Insurer via BFL Canada immediately and without delay.

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 all members of the ACL 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, Squadron 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 sums that ACL becomes legally obligated to pay as “compensatory damages” because of “bodily injury” or “property damage” in accordance to the terms and conditions of the insurance policy. The Insurer has the right and duty to defend ACL against any “action” seeking those “compensatory damages,” in which the policy may respond to and not any excluded actions in accordance to the policy. The Insurer at its sole discretion may investigate any occurrence and settle any claim or action that may result. Specific to the Commercial General Liability the following coverage is also afforded as follows:

- Personal and Advertising Injury;
- Professional Services;
- Abuse;
- Voluntary Medical Payments;
- Tenants Legal Liability;
- Non-Owned Automobile;

CONDITIONS OF COVERAGE

- Certificates of insurance, where the Air Cadet League of Canada is receiving a Certificate of Insurance, it is important to have the Air Cadet League of Canada noted as an Additional Insured. The Certificate must be collected from all 3rd-party contracted entities where the Air Cadet League of Canada has made this request(service contractors, etc.) with minimum \$5M CGL limits. As an example: The Air Cadet League of Canada contracts with a Third Party to have use of a property location owned by The Air Cadet League of Canada. The Certificate request should be made to include a \$5M limit and The Air Cadet League of Canada to be added as an Additional Insured.

- 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.

WHAT CIRCUMSTANCES ARE NOT COVERED?

- Criminal actions or willfully negligent gross acts, and or/ or ignoring the policies or directions as provided or set out by DND, the Government of Canada or the ACL.
- Personal vehicles
- Aircraft, watercraft, drones, model airplanes
- 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 or the League to operate on their property. These certificates are "event specific" to League activities as authorized and approved by the League, 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. Requests for certificates should be submitted using the online application form. If the event is not authorized or approved by the League and if no cadets are involved, this is not a Certificate that may be issued.

Should a contracting party request to be added as an Additional Insured, it should be qualified that there is an insurable interest prior to the addition, as this will afford the contracting party the benefits including any deductibles under ACL's insuring policy. As an example – property that is owned and borrowed or loaned to ACL, would be a reasonable request to be added as an Additional Insured under certificate.

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 BFL Canada so that it may be reported to the Insurer. 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 immediately without delay.

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 Broker or Company will be the National Office of the Air Cadet League of Canada. All communication must be directed through the National Office.

Directors and Officers Insurance

WHO IS COVERED?

Individual Insured- past, present, or future duly elected or appointed director, officer, trustee, trustee emeritus, executive director, department head, committee member (of a duly constituted committee of the Organization), staff or faculty member (salaried or non-salaried), or Employee of the Organization, or Outside Entity Executive. Coverage automatically applies to all new persons who become Individual Insureds after the inception date of the policy.

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.

Employment Practices:

The policy will respond to any claims made against the organization and Board with respect to actual or alleged wrongful employment practices:

- wrongful dismissal, discharge or termination of employment, either actual or constructive, including breach of any written, oral, or implied contract of employment ; harassment, including sexual harassment, discrimination, employment-related misrepresentation, libel, slander, humiliation, defamation, or invasion of privacy. Failure to employ or promote, wrongful deprivation of career opportunity, wrongful demotion or negligent employee evaluation, wrongful discipline, retaliation, violation of any whistleblower protection,
- **failure to provide or enforce adequate or consistent organizational policies and procedures designed to prevent, halt or punish the conduct of the above stated.**

WHAT CIRCUMSTANCES ARE NOT COVERED?

- **Criminal Acts or deliberate fraudulent or wrongful act if any final, non-appealable adjudication establishes that such criminal or deliberate fraudulent act was committed.**
- **Any claims arising out of an individual serving in any other capacity as not by definition a “Named Insured.”**
- **Nuclear Energy Liability**
- **Confidential Information and Data Privacy Law Violation**
- **Cyber**
- **Economic Embargo and or Trade Sanction**

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 BFL Canada or the Insurance Company will be the National Office of the Air Cadet League of Canada. All communication must be directed through the National Office.

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. Where The Air Cadet of Canada League has paid employees and Volunteers working from home as assigned, coverage only applies to the time they are on their home systems in the Air Cadet League of Canada's portal, in which they have had to log in. There is not coverage for personal use of a home system.

First Party Loss Coverage- Organization et al.

- Event Management cost: reimburses costs in response to a data privacy or security incident.
- Digital asset restoration: reimburses costs incurred to restore, recollect, or recreate intangible, non-physical assets (software or data) corrupted, destroyed or deleted due to a network security failure.
- Cyber Extortion: insures for expenses incurred in the investigation of a threat and any extortion payments made to prevent or resolve the threat.
- Reputational harm: Income lost directly resulting from adverse media due to the alleged or actual security, privacy, or media event that negatively and materially harms reputation.
- Hardware replacement: indemnifies reasonable cost to replace computer hardware or tangible equipment forming part of the computer systems which have been damaged as a direct result of a cyber event.
- Business Interruption: lost income caused by a network security breach, as well as any associated extra expense, system failure, lost income.

Third Party Coverage:

- Network security liability: defense costs and damages suffered by others resulting from a failure of computer security, theft or disclosure of confidential information, unauthorized access, use, denial of service attack or transmission of a computer virus.
- Privacy Liability: defense costs and damages suffered by others for any failure to protect personally identifiable or confidential third-party corporate information. Coverage includes unintentional violations of ACL's privacy policy, actions or rogue employees, and alleged wrongful collection of confidential information.

- Regulatory action: defense costs for proceedings brought by a governmental agency in connection with a failure to protect private information and /or failure of network security.
- Coverage includes fines and penalties where insurable by law.
- Multimedia Liability: defense costs and damages suffered by others for content based injuries, libel, slander, defamation, copyright, trademark infringement or invasion of privacy.

WHAT CIRCUMSTANCES ARE NOT COVERED?

- Fraudulent Instruction from a third party.
- Funds Transfer Fraud initiated by a third party
- Telephone Fraud
- War and Civil War
- Nuclear Incident
- Radioactive Contamination
- Sanction Limitation

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 BFL Canada and 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.

PART II – Aviation Insurance

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?

- Commercial Aviation Insurance: Limits are subject to the policy terms and conditions. Aircraft in its entirety from nose to tail for any physical damage, Personal Injury and medical payments.
 - Territory Limitations: Canada, United States and all its territories, French Islands of St Pierre, Miquelon, Mexico, the Bahamas and West Indies.
 - Airport Premises Liability,
 - Premises Medical Coverage per person, Ground Hangarkeeper’s Liability
 - Products coverage for the sale of aircraft or parts
 - Physical Damage to Non-Owned Aircraft
 - Assumed Liability – Applies to an airport contract the ACL signs with a governmental body so you may use an airport.
 - All other contracts must be submitted to BFL within 30 days for the Underwriter.
 - Baggage & Personal Effects for each passenger and crew.
 - Automatic increased value for modifications or additional equipment up to amount paid, up to \$250,00
- Non-Owned Aircraft Liability- 4 seat limitation**
- Student and Renter Pilot Liability Coverage
 - Trailer Physical Damage Coverage, each insured trailer \$20,000

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 will notify BFL Canada, who will in turn notify the Aviation Insurer. The National Office will be the sole contact to the appropriate insuring Companies, all information, reports and statements of claims will come from the National Office.