

NATIONAL SPIRITUAL ASSEMBLY  
OF THE BAHÁ'ÍS OF THE UNITED STATES

OFFICE OF THE TREASURER

December 28, 2016

To: All Local Spiritual Assemblies  
Subject: General Liability Insurance Policy Period: 11/01/2016 – 11/01/2017

Dear Bahá'í friends,

The National Spiritual Assembly sends its loving greetings to your Assembly and your community and assures you of its ardent prayers for the success of your community in meeting all the goals of the Five Year Plan. The National Spiritual Assembly requests that you carefully read and understand this letter as it may impact the way you structure your activities supporting the Five Year Plan.

Every year the National Spiritual Assembly purchases general liability insurance for Local Spiritual Assembly-sponsored events. This coverage is obtained in the interest of economy since it is very likely the cost to each Assembly for the same coverage would be far greater if purchased individually.

We ask each Local Spiritual Assembly to help defray the cost by paying \$150.00 or more for the policy period. This amount was estimated by our insurance carrier to be the cost of covering each of the 1,000+ Local Spiritual Assemblies under the jurisdiction of the National Spiritual Assembly. Last year, more than half of all Local Spiritual Assemblies contributed to help defray the cost of our national policy. The National Spiritual Assembly has requested that all Local Spiritual Assemblies consider increasing their payments to assist those Assemblies that cannot afford to pay the full amount. **LSAs currently on OCS may submit payment through the online contribution system by selecting Insurance payment from the drop down list. LSAs not on OCS are asked to please make your check payable to "Bahá'í Services Fund" and as a reference on the check write: "LSA Liability Insurance." Send your payment to: National Bahá'í Fund, 1233 Central Street, Evanston, IL 60201.**

Below is additional information regarding our insurance coverage. Please take the time to become thoroughly familiar with this information.

**COMMUNITIES THAT HAVE BAHÁ'Í CENTERS**

- If your Assembly owns or leases a Bahá'í Center or other property you are NOT covered by our national policy. Your Assembly should purchase a property and liability insurance policy on your building and contents. This policy should include a provision for public liability coverage and cover ALL events within your Assembly's jurisdiction – not just events at your Center.
- If you have a policy covering a Bahá'í Center, you do not need to send the above-requested \$150. Instead, please send the Office of the Treasurer the name and address of your insurance company, address and value of your property, policy period, and type and limits of coverage.

- In reviewing your Spiritual Assembly's insurance policies, please keep in mind the following information:
  - Make sure your liability policy covers all activities within your jurisdiction, not just activities held at the Center. Your liability coverage should be no less than \$1,000,000 per occurrence with a \$2,000,000 aggregate. Your Assembly may wish to investigate purchasing an umbrella liability policy depending on your exposures.
  - Carefully review your property insurance coverage. Some of the areas to look at include:
    - Determine whether your property insurance on your Center and its contents is at replacement cost or a lower figure.
    - Review your policy to assure you have adequate debris removal coverage in the event of a catastrophic loss.
    - Review your policy to determine if you have sewer backup, flood or earthquake coverage (even if you are not in a flood plain or earthquake zone.)
    - Check with your insurance agent to determine if you need a Boiler and Machinery policy to fully cover the value of your property. For instance, some property policies separate the value of HVAC and mechanical workings within the building from the value of the building itself.
- When hiring contractors to work on the premises, always request proof of insurance via a certificate of insurance. Request to be named an additional insured on the certificate. The contractor should provide you with an ACORD certificate where your Assembly is named as the certificate holder in the bottom, left hand corner. Providing these certificates is standard industry practice. If a contractor balks at providing one, there may be a problem. In reviewing this certificate, the contractor should have the following minimums:
  - Liability - \$1,000,000 per occurrence/\$2,000,000 aggregate
  - Workers Comp - \$1,000,000

Use judgment when reviewing certificates. The liability coverage the contractor's insurance certificate provides will be the maximum you can collect in case of a loss. Ask yourself "If there is a complete loss, does the contractor's liability insurance provide sufficient funds to replace the building and its contents?"

### **COMMUNITIES THAT DO NOT HAVE BAHÁ'Í CENTERS**

For your reference, on page five is information on our general liability coverage. While we have attempted to include as much detail as possible, keep in mind that each event and circumstance is different. If you have any question whether a specific event will be covered or excluded by our policy, please contact our agent, Bonnie Kristoffersen, using the contact information on the final page of this memorandum.

## General Liability Insurance

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- The National Spiritual Assembly's liability insurance covers actions for which the Local Spiritual Assembly would be held liable. If your Spiritual Assembly or one of its committees plans an event and a loss occurs as a result of one of the planned activities, this liability insurance will cover the Spiritual Assembly.
- If Assembly-sponsored events are held in private locations (such as a person's home or apartment) the insurance held by the owner/renter of the location is primary. The National Assembly's insurance will take over after the limits of the primary insurance are exhausted.

## ACTIVITIES INVOLVING CHILDREN AND YOUTH

- Of particular importance for all Assemblies is diligence and care with regard to children's activities. As noted on page five, only events which are sponsored by the Assembly or other Bahá'í institution are covered under our policy. Please note that *children's activities are covered only if they are supervised by the Local Spiritual Assembly or other Institution of the Faith.*
- *Junior Youth Spiritual Empowerment activities are now under the direction of the Regional Training Institutes. RTI's are under the direct supervision of the Regional Bahá'í Councils who, in turn, report to the National Spiritual Assembly. Therefore, liability for junior youth activities is covered directly by the National Spiritual Assembly.*
- **It is ABSOLUTELY VITAL that all activities involving children, junior youth and youth should follow the guidance provided in the National Spiritual Assembly's "Guidelines for the Protection of Children and Youth." Protection of all children, junior youth and youth should be your NUMBER ONE PRIORITY.**

## SIGNING RENTAL OR LEASE AGREEMENTS

- When signing rental or lease agreements of any kind, please pay close attention to areas of the agreement that discuss liability or indemnification. Language stating that the property owner is indemnified from all losses and that the Local Spiritual Assembly or the National Spiritual Assembly accepts full responsibility for any losses that occur **IS NOT ACCEPTABLE**. This language **MUST** be amended to state that we accept responsibility only in proportion to and to the extent of our liability.

For instance, if there is a slip and fall in a rented facility because the floor has been waxed, this is the responsibility of the property owner, not the LSA. Losses through injuries sustained as a result of such an accident are not the responsibility of the LSA and the contract language should reflect the responsibilities appropriately.

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If you need to provide evidence of insurance for an Assembly-sponsored event, please download a Request for Certificate of Insurance form from the Baha'i Administrative Website [www.bahai.us](http://www.bahai.us). Scroll down and click on **Resources - Forms & Manuals – Treasurer's Tools - Insurance Certificate Request**. Include as much information about the event as possible. (copy attached)

Please make your requests as far in advance as possible, preferably four to six weeks. Be aware that requests for other than simple proof of coverage may require additional time to process. Certificates will be sent directly to the event venue unless otherwise requested.

Please direct questions or concerns regarding liability insurance coverage to Bahá'í National Center, Office of the Treasurer – Insurance, 1233 Central Street, Evanston, IL 60201, (847) 733-3407.

**Please retain this letter in your files for reference.**

With loving Bahá'í greetings,

Paul Platner

Support Services and Logistics

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Information on the National Spiritual Assembly General Liability coverage:

Coverage period: November 1, 2016 to November 1, 2017

Company: Church Mutual Insurance Company  
Broker: Arthur J. Gallagher Risk Management Services, Inc.  
Policy No.: 0500216402832250  
Limits: \$3,000,000 general aggregate  
\$1,000,000 each occurrence  
\$ 300,000 damage to rented premises  
\$1,000,000 personal injury  
\$ 10,000 medical expense (any one person)

Exclusions:

- No event held as a result of individual initiative is covered, even if it is a core activity. In order to be covered, the event or activity must appear in the Assembly's minutes as sponsored by the Assembly.
- No events held within the jurisdiction of a community that owns or rents a Bahá'í Center are covered, even if the event is not held at the Bahá'í Center.
- If transportation is provided to and/or from a Bahá'í event or activity, the vehicle owner's insurance is the primary coverage.

The following events and/or activities *may* be excluded from coverage or may require additional insurance riders:

Amusement rides  
Sky Diving, hang gliding, dirt bike or snow mobile riding, spelunking,  
Some forms of organized athletics, including horseback riding  
Overnight stays  
Water activities unless certified lifeguards are present  
Alcoholic beverages  
Fireworks/pyrotechnics  
Events that in any way provide or promote health care

To download a Request for Certificate of Insurance form, please see the instructions on page 4 of this letter.

Mail, email or fax Request for Certificate of Insurance forms direct to our broker at:

Arthur J. Gallagher, Attn: Bonnie Kristoffersen  
127 N. Walnut Street, Itasca, IL 60143  
Phone #: 630-694-4417 Fax #: 630-694-4401 Email: [Bonnie\\_Kristoffersen@ajg.com](mailto:Bonnie_Kristoffersen@ajg.com)