

Preface

The Alberta Gymnastics Federation (AGF) General Liability Claim Surcharge is a policy that has been developed by the AGF Insurance Taskforce, which is comprised of representatives from AGF Member Clubs and Staff.

AGF Member Club Insurance

A benefit of becoming an AGF Member Club is gaining access to the Group Insurance Coverage that is provided by AGF. AGF's current General Liability insurance policy provides a total of \$5 million worth of protection for litigation and settlement costs.

AGF also provides its members with access to a Sports Accident Policy, which reimburses the injured party for out-of-pocket medical expenses resulting from a sporting activity in the gym. Please note that this is treated as secondary coverage to the injured party's primary health care plan.

Rather than having several independent policies, AGF's insurance policy combines all AGF's member clubs into one group policy to gain greater purchasing power. The tradeoff to this is that any claims filed against the AGF insurance policy affect the premiums and overall coverage limits for all members.

General Liability Claim Defined

A General Liability claim is defined as when a member club faces litigation due to an act of negligence, alleged or otherwise, resulting in bodily injury and/or property damage to a third party.

What Happens When a Claim Occurs?

Sports Accident Policy	General Liability
The injured athlete, as a member of the club, is the "insured" party – the policy will reimburse qualified expenses to that individual.	The club itself and the AGF are the "insured" parties - policies will respond to claims and lawsuits from athletes & third parties alleging negligence.
<u>Immediately</u> , the club should provide the injured party with information regarding the benefits, and terms including claim forms to be submitted (https://www.abgym.ab.ca/Membership/Insurance).	Upon receiving notice of such incidents, Gallagher is to be advised <u>immediately</u> (AGF is then notified by Gallagher).
Gallagher should be notified. Depending on the injury, the liability carrier may be put "on notice".	Gallagher then notifies the Liability Carrier so a file can be created to investigate and defend.
The injured party submits the completed claims forms to Gallagher with receipts for out of pocket expenses.	The insurance carrier will contact the Club/AGF while Gallagher oversees the claim development.
Gallagher submits the forms to the carrier along with receipts for consideration as they come in.	Given the degree and complexity of the injury, as well as the amount of legal involvement, these claims can take years.
SSQ communicates findings with the injured party.	If negligence/precedence is proven, then settlement is made.

Prevention

The first step in preventing incidents is mitigating risk. Clubs are encouraged to act proactively to minimize risk and empower their staff to ensure that the appropriate training, progressions, and processes are in place. Examples include NCCP coaching certification, lesson planning, athlete development plans, emergency action plans, accident reporting procedures, safety checks, etc.

AGF understands that some incidents are merely accidents and may inevitably occur despite all the appropriate steps being implemented. However, the initiative must be taken to correct behaviours that can be changed to prevent future incidents from occurring.

Clubs must take reasonable steps to ensure that their business is operated in an appropriate manner, as there are numerous areas to consider when operating safe and quality programs. Although it is not an exhaustive list, AGF recommends at a base level that clubs ensure:

- Appropriate hiring and Human Resource checks are in place and implemented. E.g. Reference checks, Terms of Employment, Employee Evaluations, Knowledge Sharing, etc.
- All coaches are appropriately trained/screened for appropriate NCCP training, Respect in Sport, Making Ethical Decisions, First Aid, and Background checks).
- Coaches/Clubs prepare and review lesson plans that outline the skills and progressions participants will be performing, with consideration to the ability levels of the participant/coach.
- Coaches collaborate (when possible) to create solutions that mitigate risk, rather than making uninformed or unreasonable decisions that expose participants to unnecessary risk.
- An emergency action plan has been developed and all staff are aware of the actions they must take should an incident occurs.
- The club has an incident reporting system that all staff are briefed on, which can be easily accessed and retrieved when required.
- The club has developed a clear communication plan for information to be distributed from AGF/GymCan/NCCP.

Purpose of the General Liability Claim Surcharge Policy

The purpose of the General Liability Claim Surcharge Policy is to reinforce the principle of risk mitigation as it pertains to General Liability Claims.

Benefits

- + Accountability to AGF from Clubs
- + Intangible method to mitigate risk
- + Appealing to insurance underwriters

Drawbacks

- Clubs who incur General Liability Claims will be required to pay their surcharge(s)

Please note:

- The General Liability Claim Surcharge Policy may lower the number of General Liability Claims incurred.
- The General Liability Claim Surcharge Policy may never be activated if a club incurs 0 General Liability Claims.

General Liability Claim Surcharge Process

If a club experiences an incident where a General Liability claim is opened and validated that leads to litigation:

- AGF’s insurance broker will notify the AGF office, and the club will be issued a General Liability Claim Surcharge.

Surcharge Breakdown

1 Claim within a 5-year span	Tier 1 Surcharge applied based on club size.
2 Claims within a 5-year span	Tier 2 Surcharge applied based on club size.
3 Claims within a 5-year span	Club’s AGF membership will be reviewed for suspension/expulsion following the process set out in the AGF Bylaws.

Any claims that a club may have received will be cleared after 5 years from the day the claim was opened (whilst being a member of AGF) and will not be considered in future surcharge calculations. Any interruptions in AGF membership will pause the timeline for future surcharge calculations.

Surcharge Tiers (Relative to Club Size)

Club Size	Tier 1 Surcharge (1 Claim within a 5-year period)	Tier 2 Surcharge (2 Claims within a 5-year period)
< 50 Members	\$500.00	\$1,000.00
50 – 99 Members	\$1,000.00	\$2,000.00
100 - 249 Members	\$2,000.00	\$4,000.00
250 – 499 Members	\$3,000.00	\$6,000.00
> 500 Members	\$5,000.00	\$10,000.00

Example Club A:

First claim: January 1, 2020	Tier 1 surcharge
Second claim: January 1, 2022	Tier 2 surcharge

Explanation: Club holds 2 claims within a 5-year period; therefore, they will be subject to surcharges on tiers 1 and 2 (\$500 + \$1,000).

Example Club B:

First claim: January 1, 2020	Tier 1 surcharge
Second claim: April 1, 2027	Tier 1 surcharge

Explanation: Club holds 1 claim beyond a 5-year period of each other, therefore they will be subject to surcharges on tier 1 for each claim (\$500 + \$500).

Maintenance of Claims

It will be the responsibility of the AGF office to maintain the record of claims, which will be held in confidence.

The surcharges collected will be added to a separate account that will list from whom the funds are collected and how they are being utilized, with respect to AGF’s operating budget.

When a claim is validated by Gallagher, the club will have **30 days** from the date of the invoice to pay the surcharge in full. Failure to complete payment before the due date will result in the club’s insurance being withdrawn until the amount owed is collected, meaning that the club will not be insured under the AGF Insurance Policy.