

Volunteers and Insurance

OFFICE OF THE COMMISSIONER OF INSURANCE

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We are fortunate in Wisconsin to have so many people willing to volunteer to help a charity of their choice. Volunteering can take many different forms. A volunteer may be manning a food tent, selling brats and hot dogs to picnic patrons in order to raise money for an organization; transporting meals to the disabled; providing rides to veterans; or serving on a board of directors.

For both the organization and the volunteer, there are important insurance issues. For example, what happens if a volunteer driver is in an accident? Or what happens if a volunteer trips and lands on top of the grill while the grill is still cooking those delicious Wisconsin brats?

For organizations utilizing volunteers, it is important to understand your insurance benefits and how your policies may impact your volunteer's insurance coverage. In some cases insurance coverage will be impacted if the organization reimburses the volunteer for their expenses. If you have a board of directors, your liability coverage may or may not extend to the board's actions and you may need to secure additional coverage.

For volunteers, the issues are equally important. Before engaging in volunteer activities, it is important to ask your insurance agent or your insurance company about coverage for the activities you are engaging in, and remember the details matter. In some cases the coverage provided by your personal insurance may be limited if you accept any reimbursement for your volunteer activities even if the reimbursement only covers some of your expenses.

Auto Insurance

The most important point to remember is that personal auto insurance policies vary on their treatment of volunteer driving activities. In almost all cases, the insurer will provide coverage for volunteers in which there is no reimbursement for expenses. However, if the organization provides any reimbursement, even if it is just for some of the expenses incurred by the driver, some insurers will treat that as a commercial activity.

Volunteer drivers should look carefully at auto insurance issues. It is important to clarify if the organization for which you are volunteering is already covered under a commercial auto insurance policy. If not, a discussion

with your insurance agent or insurance company may clarify the issues for you. You may be able to purchase a separate rider on your policy. If your insurer limits coverage and volunteering is important to you, you may be able to find an insurance company that will provide coverage under your personal auto policy. (See the attached list of insurance carriers offering volunteer driver coverages.)

For volunteer organizations engaging drivers, it is important to have a discussion with your drivers. Reimbursement policies may vary from insurer to insurer. Commercial policies that cover your drivers may also be another option.

Liability Insurance

Liability insurance provides coverage for damages and legal defense in cases where the actions of the organization have resulted in some harm to a person or property. There are a number of types of liability coverage including:

Directors and Officers

This coverage provides protection to directors and officers from claims which arise from negligent conduct committed in their capacity as directors and officers.

Comprehensive General Liability

This type of policy provides many liability coverages under one contract.

Multi-Peril

Though it is possible to purchase many separate insurance policies to cover a single business operation, this may be impractical. Therefore, rather than shopping for each type of insurance you need individually, you may want to buy a multi-peril policy. This is a comprehensive policy which can be tailored to suit your business needs and will provide both property and liability protection. For many businesses it is the most efficient and economical way to buy insurance.

Umbrella and Excess Liability

Umbrella liability insurance provides two kinds of coverage: payments of liabilities in excess of

loss offered in your basic commercial policy, auto liability, or employers' liability coverages and liability for areas not covered in other liability policies. Excess liability coverage provides protection for catastrophic accidents or occurrences, such as when a number of people are injured at once. The main difference between excess and umbrella policies is that umbrella policies cover all underlying liability policies whereas excess liability policies increase the limits of liability in one particular policy.

Worker's Compensation

For the most part, volunteer workers are exempt from the worker's compensation requirements in the statutes. Specifically, as detailed in our [Consumer's Guide to Worker's Compensation Insurance for Employers](#):

A volunteer for a nonprofit organization that is exempt or eligible for exemption from federal income taxation under the Internal Revenue Code who receives nominal payments of money or other things of value totaling not more than \$10.00 per week is not considered to be an employee under the Act, unless the nonprofit organization elects to cover the volunteer under its policy.

Volunteers who are injured while working as a volunteer will not have coverage for lost wages (at a job that provides income) unless covered under another insurance policy such as a weekly income policy.

Organizations providing volunteers with compensation in excess of the statutory \$10.00 per week limit may want to explore their liability for any injuries their volunteers may incur while providing services.

Tips for Understanding Volunteer Insurance

For volunteers:

1. Read your insurance policies to understand your coverage.
2. Talk to your insurance agent or your insurer about any concerns you may have.
3. Shop around for coverage. While one insurance company may not cover your volunteer activities, other insurers may.
4. Talk to the organization you will be volunteering for about insurance coverage.

For organizations:

1. Read your insurance policies to understand what is and is not covered.
2. Review your insurance coverage at least annually with your insurance agent.
3. Make sure your policies and procedures line up with your insurance coverage.
4. Before conducting any large public event make sure you discuss coverage with your insurance agent and/or your insurer.
5. Discuss any insurance issues with your employees and volunteers to make sure there is coverage in case of an unfortunate event.

List of Insurers Offering Volunteer Coverage

Below is a list of carriers operating in Wisconsin who insure volunteer drivers under their personal auto policies and cover claims which occur while using the insured vehicle for volunteer purposes. It is important to remember that insurance companies reserve the right to make underwriting and claim judgements based on the individual risk or claim presented. Typically, it would be expected that volunteer driving would not be on a regular basis and would be incidental to the overall usage of the vehicle. It is not unreasonable for a company to require proof—particularly in the event of a claim—that the reimbursement was based on actual expenses incurred and/or the mileage reimbursement was based on IRS guidelines.

The Office of the Commissioner of Insurance recommends consumers read their policy in detail for information addressing volunteer coverage as well as contacting their carrier with additional questions or clarifications.

State of Wisconsin
Office of the Commissioner of Insurance
P.O. Box 7873
Madison, WI 53707-7873

OCI's Web Site:
oci.wi.gov

Insurance Carriers Offering Volunteer Driver Coverages
(listed in alphabetical order)

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| 21st Century Centennial Company | Horace Mann Insurance Company |
| Acuity, A Mutual Insurance Company | Horace Mann Property & Casualty Insurance Company |
| AIG Property Casualty Company | IDS Property Casualty Company |
| Allstate Indemnity Company | IMT Insurance Company |
| Allstate Insurance Company | Integrity Mutual Insurance Company |
| Allstate Property and Casualty Company | Integrity Property and Casualty Insurance Company |
| American Family Mutual Insurance Company | Liberty Mutual Insurance Group (all Liberty companies) |
| American Standard Insurance Company of WI | Mid-Century Insurance Company |
| Artisan and Truckers Casualty Company | National General Insurance Company |
| Auto Club Group Insurance Company | Owners Insurance Company |
| Auto Club Insurance Association | Progressive Casualty Insurance Company |
| Auto Owners Insurance Company | Progressive Classic Insurance Company |
| Badger Mutual Insurance Company | Progressive Northern Insurance Company |
| Bristol West Insurance Company | Progressive Universal Insurance Company |
| Country Mutual Insurance Company | Rural Mutual Insurance Company |
| Country Preferred Insurance Company | Safeco Insurance |
| Dairyland Insurance Company | Sagamore Insurance Company |
| Electric Insurance Company | Secura Insurance |
| Erie Insurance Company | Sentry Insurance a Mutual Company |
| Erie Insurance Exchange | Standard Fire Insurance Company, The |
| Esurance Insurance Company | Teachers Insurance Company |
| Farmers Insurance Exchange | Travelers Home and Marine Insurance Company, The |
| GEICO | Travelers Property Casualty Insurance Company |
| GEICO Advantage Insurance Company | Viking Insurance Company of Wisconsin |
| GEICO Casualty Company | Wadena Insurance Company |
| GEICO General Insurance Company | West Bend Mutual Insurance Company |
| GEICO Indemnity Company | Wilson Mutual Insurance Company |
| General Casualty Company of Wisconsin | Wisconsin Mutual Insurance Company |
| Germantown Mutual Insurance Company | |
| Hartford Insurance Company, The | |