

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 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 this as a commercial activity.

Volunteer drivers should 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 which 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 covering 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, you may want to buy a multi-peril policy. This is a comprehensive policy tailored to suit your business needs providing 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 umbrella policies cover all underlying liability policies whereas excess liability policies increase the limits of liability in one particular policy.

Worker's Compensation

Generally, volunteer workers are exempt from the worker's compensation requirements in the statutes. Specifically, as detailed in the [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 providing 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

The following is a list of carriers operating in Wisconsin who insure volunteer drivers under their personal auto policies and cover claims occurring while using the insured vehicle for volunteer purposes. It is important to remember 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—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
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oci.wi.gov

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

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	

There may be other insurers who offer this type of coverage in Wisconsin. Check with your licensed insurance agent to explore your options.