

Why Liability Insurance?

By Ken G. Harris, F.C.I.I.

When PROBUS members get together to relax, socialize and share their mutual interests and diverse experiences, it normally is not the uppermost thing in anyone's mind that a lawsuit could result. However, the fact is that as any lawyer or insurance person can testify, this can easily be visualized without needing to reach for obscure or highly unlikely examples.

Suppose you invite an acquaintance to a PROBUS meeting, perhaps because you think he/she might be interested in joining. While there he/she slips on a coffee spill on the floor, or maybe suffers food poisoning because of tainted food. Should a claim result, the Club must defend itself, and this means getting legal help - the best available - and fast. It may well be possible to pass on the responsibility to the owner/operator of the premises or the caterer, but first there has to be an investigation to determine the facts, whether a third party was responsible, and not least important, whether that party has valid and sufficient insurance to absorb the claim in full. The investigation, determination and subsequent negotiations require expertise, can be time consuming and costly and are best left to professionals.

- Consider another scenario, in which a vehicle is being driven on PROBUS business - perhaps to pick up a speaker for a meeting. There is an exposure to the PROBUS CLUB if an accident results in serious injury, again requiring that the Club be defended.
- One more example is that of a sporting event, such as a golf match in which a non-participant is struck by a golf ball or cart. There may well be recourse to the insurance carried by the negligent individual, but the limits of that person's insurance may be too low, or it may have lapsed. As in the previous examples, the Club needs to be swiftly and effectively defended by a competent lawyer.

One could go on citing examples of the way in which liability can be incurred, but those already mentioned should be enough to establish that this is not a remote contingency, which need not be taken seriously.

Fortunately Club members have a solution to this problem readily available in the form of a liability insurance policy which is available through PROBUS CANADA, INC. which has been specifically tailored to cover the range of activities contemplated in the basic purpose and normal activities of PROBUS CLUBS. There is, of course, the option of any individual Club purchasing its own insurance, but if this is done the policy, especially its exclusions, should be carefully checked by a very

knowledgeable person to ensure that there are no gaps in the coverage. PROBUS is a non-profit organization. but that is no guarantee that it will not be sued. In fact, there are many cases in which non-profit organizations have found themselves the targets of large demands for damages. When this happens, the ability to turn the whole thing over to the insurers and have them and their lawyers take over the defence allows the Club members to sleep nights, and more than justifies the very modest premium paid for such peace of mind.

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Ken Harris was born and educated in Wales. He joined the staff of Commercial Union Assce. Co. in Cardiff, Wales in 1950. He transferred to the Canadian staff in 1959 as Casualty Underwriter became President and C.E.O. of Canada. Ken retired in 1992. He also served as President of the Ontario Insurance Institute, Insurers Advisory Board and the Insurance Bureau a/Canada. Ken is a member of the PROBUS Club of Mississauga South