Background

As a member of the National Council of Corvette Clubs (NCCC), LVCA receives general liability and director & officer (D&O) insurance coverage. The cost of this coverage is included in the NCCC dues. Generally speaking, it covers liabilities that may arise at club events such as membership meetings, cruises, parades, car shows, socials, etc. and limited lawsuit protection to the club's volunteer officers and directors. NCCC insurance also provides basic accidental death and dismemberment coverage (AD&D) for clubs that hold competitive driving events. There have been no claims against this insurance in the last 5 years and perhaps none ever.

Purpose

The goal of this analysis is to determine if LVCA can acquire acceptable insurance coverage through other sources to take the place of the insurance that NCCC provides (in the event LVCA decides to leave NCCC) and if so, to make sure it would result in a cost savings or other benefit.

Analysis

Six companies were contacted, two did not respond. One was not licensed to provide insurance in Nevada. Applications were sent to the remaining three.

Company	Contact	Status
Non-Profit Insurance Program	800-673-2558	Did not respond
Gateway Specialty Insurance	855-734-5528	Did not respond
GNY Insurance	800-522-5504	Not licensed in Nevada
Hagerty Insurance	800-922-4050 Jakan Jano, Jessica Burns	Application sent
J. C. Taylor Insurance	800-345-8290 Thomas Meakim	Application sent
K & K Insurance	800-341-1839 Kevin Cismowski	Application Sent

The remaining three were questioned about the extent of their coverage, costs, possible scenarios and limits/exclusions.

At this point, K&K Insurance was eliminated because their insurance appears to be geared more towards event-by-event coverage. Their primary insurance would cover monthly club meetings only. In their response:

> *"Please note [that to have] coverage for all "wheels moving" events and events that are not member's general meetings and/or member's only social functions, the club would be required to complete the event form for underwriting and [an] additional premium[1][would be charged] . . . "*

This means that at LVCA events in which non-members participate (which is pretty much every LVCA event), K&K would require (in advance) the club to complete an event form, have it approved by K&K's underwriting and pay additional premium for that event. Since there wouldn't be an easy way for LVCA to budget the total amount of annual insurance expense, K&K was eliminated from the analysis at this time. LVCA hasn't hosted a competitive driving event in several years. If that should change in the future, K&K Insurance would seem to be a good fit for those kinds of events.

Both Hagerty and J.C. Taylor provided timely responses to requests for quotations and additional information. The information for LVCA's current insurance provider was gleaned from the NCCC website (https://www.corvettesnccc.org/).

Hagerty Insurance is underwritten by Travelers Indemnity Co. J.C. Taylor Insurance is underwritten by Chubb Insurance Company (General Liability) and Old Republic Insurance Company (Director & Officer). NCCC insurance is underwritten by Philadelphia Indemnity. All of these companies are rated by A.M. Best as A+ or A++ (superior).

Comparison

The chart on the following page summarizes the coverage, limitations and cost of the final two companies that received LVCA's applications. Also included for comparison is the coverage LVCA currently receives from NCCC.

[1] April 18, 2019 email from Kevin Cismowski - K&K Insurance Group, Inc.

Comparison Table

	Hagerty	J. C. Taylor	NCCC
General Liability Coverage			
Each occurrence	$2,000,000	$1,000,000	$1,000,000
Personal Injury/Advertising Injury	$2,000,000	$2,000,000	$1,000,000
General Aggregate	$4,000,000	$2,000,000	$1,000,000
Damage to rented premises (each occ)	$100,000	$100,000	$100,000
Products/Completed Operations Aggregate	$2,000,000	$2,000,000	$2,000,000
Medical Expense (any one person)	$10,000	$5,000	Excluded
Racing Event Participant AD&D	Excluded	Excluded	$25,000
Racing Event Accident – Medical	Excluded	Excluded	$50,000
Umbrella Coverage	Not Available*	$4,000,000	$4,000,000
Director & Officer Coverage	$1,000,000	$1,000,000	$2,000,000
Exclusions	Racing events*	Racing events	Non-NCC sanctioned events. Non-member participants.
Liability Coverage Cost	$380/yr	$2,590/yr	$4,000/yr**
Director & Officer Coverage Cost	$532/yr	$936/yr	Included in liability cost
Total Cost	**$912/yr**	**$3,526/yr**	**$4,000/yr****

*Will be offered in an upcoming product.

**Approximate. Depends on number of club members.

Summary/Conclusion

Should LVCA elect to leave NCCC, the undersigned Directors recommend LVCA pursue General Liability and Director & Officer coverage through Hagerty Insurance to replace the coverage currently being provided by NCCC. We believe this will result in a substantial savings to LVCA without limiting its activities or benefits to its members.

Mike Borders Skip Kelley Scott White