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May 15, 2006

Dear Chapter President:

Did your chapter sign up for the APICS Group Commercial General Liability Insurance Policy in 2005? If so, then this is your opportunity to renew during the 2006 enrollment period. If not, you may be taking a risk. As president, you are the chief executive officer of your chapter. You and your directors have administrative and fiduciary responsibility for all chapter activities and functions. Your commitment to this office comes with many benefits and some risk. Is your chapter sufficiently prepared to handle these risks?

APICS chapters in the United States now have another opportunity to be insured under a master policy for comprehensive general liability coverage, at reduced rates. Note that the APICS Group Commercial General Liability Insurance Policy will again be offered through the program administrator, USI. **The policy is written through the insurance carrier, The Hartford.** The coverage and premium will remain the same. **APICS chapters chartered in Canada, Mexico, and Puerto Rico cannot be included in this policy.**

This liability coverage is designed to protect APICS chapters and their directors, officers, employees, and volunteers from claims alleging negligence that cause injuries to third parties. The chapter liability policy provides \$1,000,000 liability per occurrence, and \$2,000,000 aggregate for a low premium of \$75 per chapter per year. **For additional information, please refer to the enclosed Summary of Coverages and Special Events Exclusion for APICS Chapters or call USI.**

The enrollment period starts immediately, and ends on June 16, 2006, so don't let this special opportunity slip away. The effective date of the policy is July 1, 2006-June 30, 2007. **If you wish to participate, please complete the attached enrollment application, and return it to USI with your premium payment before the June 16 cutoff date. For chapters with more specialized event needs, please contact USI directly.** All chapters that enroll will receive a certificate of insurance, which will be sent to the current chapter president. If you miss the deadline, please contact chapter relations via e-mail at chaprel@apicshq.org regarding a possible exception (note that the policy cost and end date will remain the same).

Due to increasing regulatory issues within the insurance industry, all inquiries about Directors and Officers (D&O) insurance coverage, or chapters with more specialized insurance needs that require a separate general liability policy, should be addressed to a local insurance carrier in your area to request the necessary paperwork to receive a quote/proposal. Directors and Officers (D&O) Liability Coverage is tailored to help meet the needs of trade and professional associations.

Directors and Officers (D&O) Liability Coverage protects your officers, employees, trustees, committee members, and volunteers from claims alleging negligence, errors and omissions, misstatements, misleading statements, and misrepresentations. It also protects you and your organization from many common employment-related claims, including discrimination, harassment, and wrongful termination. Because APICS chapters are separately incorporated and have individual boards and officers, interested chapters must apply for the D&O insurance independently.

We look forward to receiving your chapter's completed enrollment form. If you have any questions or concerns, please contact APICS Chapter Relations at chaprel@apicshq.org. Thank you for your continued support and commitment to APICS!

Sincerely,



Scharan M. Johnson
Senior Manager, Membership

Attachments

Advancing Productivity, Innovation, and Competitive Success

**APPLICATION FOR ENROLLMENT
APICS Chapter Liability Insurance Program
THE HARTFORD**

Please type or print

Date _____

APICS Chapter Name: _____ We have _____ members in our chapter.

Contact Information:

Name: _____

Address: _____

City _____ State: _____ Zip: _____

Phone # (Daytime): _____ Fax: _____

E-mail: _____

*******If your chapter is planning a special event (see attached special Events Exclusion form), contact USI for possible rider to the policy for an additional premium. However, please note that a separate policy may be necessary through a local insurance provide in your area. *******

The above chapter hereby applies for chapter liability coverage as provided under the APICS Chapter Liability policy for a period of one year **effective July 1, 2006**. Enclosed is our check for **\$75** made payable to USI.

Please Note: This premium applies for one year of chapter liability coverage. The 2006 enrollment period runs through June 16, 2006. **This completed enrollment form and check must be received in USI's office before June 16, 2006 to be included on the master chapter policy.**

Signature: _____

Please print name and APICS title: _____

Please mail this completed form and payment to: Torrey Miller
Account Manager, USI DC Metro
USI Insurance Services
2755 Hartland Road
Falls Church, VA 22043
Tel: (703) 205-8786
Fax: (703) 560-7696
E-mail: torrey.miller@usi.biz

APICS Chapters
5301 Shawnee Road
Alexandria, VA 22312

The Hartford, Policy # TBD

SUMMARY OF COVERAGES FOR APICS CHAPTERS

COMMERCIAL GENERAL LIABILITY

\$2,000,000. General Aggregate (Other than Products/Completed Operations)
\$2,000,000. Products/Completed Operations Aggregate Limit
\$1,000,000. Personal and Advertising Injury Limit
\$1,000,000. Each Occurrence Limit
\$ 300,000. Fire Damage Limit (any one fire)
\$ 10,000. Medical Expense Limit (any one person)

****For a detailed listing of included and excluded events, please see attached Special Events Exclusion form.****

The Certificate of Insurance, which provides evidence of your coverage, is mailed by USI within 30-60 days after receipt of your payment. The certificate should be retained in your files permanently. Copies can be provided to other parties as needed. If other parties require that they be named as Additional Insureds, notify us immediately. Additional Insureds require underwriting approval.

NOTES

1. The limit of liability is **shared** by **all** chapters, clubs, districts, and/or areas.
 2. Medical Expense coverage does not extend to volunteers nor does VOLUNTEERS AS ADDITIONAL INSUREDS cover bodily injury to these individuals.
 3. **Certificates of Insurance should be obtained from vendors and anyone providing services, including caterers, bus charters, contractors, and professional service providers (doctors, dentists, optometrists, etc.).**
 4. No business contents or property coverage is provided for the Chapters.
 5. As a guideline, the following special events are included at no additional cost to the Chapters: Dinner Meetings/Professional Development Meetings, Certification Review Courses, Craft Fairs, Dinner Dances, Yard/Garage Sales, Beauty Pageants, Card Parties, and Temporary Booths selling "non-alcoholic" and other "non-hazardous" products.
 6. This is a summary of the coverages provided to all APICS chapters. For a detailed listing of included and excluded events, please see attached Special Events Exclusion form. The actual coverage descriptions, conditions, and exclusions are in the original policy, which is on file at APICS Headquarters in Alexandria, Virginia.
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FOR QUESTIONS, CONTACT:

Torrey Miller
Account Manager, USI DC Metro
USI Insurance Services
2755 Hartland Road
Falls Church, VA 22043
Tel: (703) 205-8786
Fax: (703) 560-7696
E-mail: torrey.miller@usi.biz



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SPECIAL EVENTS EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

Except as indicated below, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of any "Special Event" sponsored or organized, in whole or in part, by the insured. This exclusion applies whether the "Special Event" is held on premises owned by the insured or on any other premises.

A. Non-Scheduled "Special Events"

1. This exclusion does not apply to the following "Special Events":
 - a. Breakfast meetings;
 - b. Luncheons;
 - c. Dinners or dinner dances;
 - d. Bake, craft, book or clothing sales;
 - e. Exhibition of members' work or art;
 - f. Demonstration of members' work or art;
 - g. Lectures and Speakers; and
 - h. Bridge tournaments.
2. If you are a "Cultural Institution", this exclusion also does not apply to :
 - a. Your Exhibition or Show Openings.
 - b. Sponsored trips to similar cultural institutions when transportation is not provided or is provided by contract carrier.
 - c. Regular, ongoing, scheduled programming which is a part of a library curriculum such as children's story-time or reading programs.

B. Scheduled "Special Events"

This exclusion does not apply to "Special Events" specifically scheduled and described in the declarations and for which a separate premium charge is made.

Scheduled "Special Events" are limited to the following:

1. Parades, with permits;

2. Concerts, however, rock band concerts are excluded;
3. Amateur Plays;
4. Puppet Shows;
5. Exhibition Openings;
6. Musical Performances;
7. Film Showings;
8. Dances;
9. Antique Shows;
10. Casino Nights;
11. Fairs;
12. Athletic Events;
13. Art or Craft Exhibitions and Demonstrations;
14. Collectible Car shows (exhibit only).
15. Conventions
16. Trade Shows

C. Additional Exclusions

As regards any covered "Special Event" as defined in this endorsement, this insurance does not apply to the following:

2. "Bodily injury" to any person while practicing for or participating in any sports or athletic contest or exhibition; or
3. "Bodily injury", "property damage" or "personal and advertising injury" arising out of:
 - a. The ownership, maintenance, operation, use or entrustment to others of any:
 - 1) Mechanically operated amusement devices;

- 2) Aircraft and similar devices including but not limited to balloons, parasails, parachutes, hang gliders and ultralights; or
 - 3) any trampoline or gymnastic rebounding device
owned or operated by or on behalf of or rented to a person(s) or organization(s);
- b. Any fireworks display;
 - c. A rock band concert, whether conducted or sponsored, in whole or in part;
 - d. Animal related activities;
 - e. Auto, motorcycle or boat races or events;
 - f. Biking events;
 - g. Bungee jumping;
 - h. Water related activities;
 - i. Construction activities;
 - j. Demonstrations, strikes, protests or rallies;
 - k. Traffic control, road closures, route lay-out or planning; or
 - l. Provision or arrangement of transportation including any contract to furnish transportation.

D. Additional Definitions

As respects this endorsement, the following additional definitions apply:

1. "Cultural Institution" means a museum, art gallery or library.
2. "Special Event" means an activity, event, performance, entertainment, fundraiser or exhibition which is:
 - a. Open to the public, the insured's membership or invitees, whether or not an admission is charged;
 - b. Held for a specified or limited duration of time; and
 - c. Separate or distinct from the insured's regular, ongoing operations and designed to promote or benefit the insured or some other cause.