

## **Charter Fee Increase Announcement:**

Effective Jan. 1, 2013, what is now known as the "unit charter fee" will be renamed the "unit liability insurance fee" and will increase in cost from \$20 to \$40 yearly.

As a result, the new fee will begin with units that have December 31, 2012 charter expiration dates (a charter period beginning Jan. 1, 2013).

All units, including Exploring posts, are required to pay this annual fee - 100 percent of which goes into the general liability insurance program - when submitting their charter renewal applications. This fee helps defray expenses of the general liability insurance program.

The reasons for the changes include:

- The reserves for open claims have increased significantly over the last several years.

- The average cost per claim has nearly doubled in the last five years.

- Claims payments have doubled in the last two years compared to a five-year average from 2005-2009.

The general liability insurance policy provides primary liability insurance coverage for registered adults and for all chartered organizations on file with the BSA for liability arising out of their chartering a traditional Scouting unit. This policy provides coverage for claims alleging negligent actions that result in either personal injury or property damage.

A chartered organization is an organization that has applied for and received a current Boy Scouts of America charter to operate a Scouting unit. A chartered organization as defined within the policy shall include the chartered organization, its board of directors and/or trustees, and its officer and employees, in their official and individual capacities. This definition also includes a specific position: chartered organization representative.

Chartered organizations do not need a certificate of insurance. The chartered organization endorsement is a part of the insurance policy contract and is enforceable under the policy contract. Old Republic Insurance Company provides the first \$1 million in coverage. Additional policies - all providing primary coverage to the chartered organization - have been purchased so that more than \$5 million in primary coverage is provided.

There is no coverage for those who commit intentional or criminal acts. Liability insurance is purchased to provide financial protection in the event of accidents or injury that occurs during an official Scouting activity.