

Reprint of REV - UP Administrators Column- June 2006

By Fred Hohwart

Our ROAR membership statistics indicate that many members reading this issue are new this year and are reading the June issue of Rev-Up for the first time. I generally repeat some of the information annually, including a description of how the ROAR insurance program works and what a great benefit it is to ROAR members. Many Clubs/Tracks could not exist without the ROAR Insurance, so its importance extends beyond your personal interest in the insurance – in many cases your racing depends upon it.

How ROAR Insurance Works

The ROAR insurance program is one of the most valuable aspects of ROAR membership. The insurance policies are complex but I would like to try to summarize the key parts of the insurance program in layman's terms, particularly for the new members, as part of my annual column on this subject. ROAR members are covered by two ROAR insurance policies, liability and bodily injury, while participating in a ROAR sanctioned race or a practice for such a race. The club/track is an additional insured on the member policy.

Liability: This policy protects members from claims resulting from damage caused by their R/C car to spectators and others. The insurance company has the right and duty to defend the insured (member) against any suit seeking damages because of bodily injury or property damage, and pay those sums the insured becomes legally obligated to pay up to the \$1 Million policy limit. This applies to ROAR sanctioned races and practices and basically applies to accidents directly related to the operation of an R/C car. Damage caused by a wind blown pit umbrella or shade tent isn't covered. Often that kind of coverage is provided by your homeowners policy. In my opinion, the greatest value here is the protection from lawyers and lawsuits. (Insurance company has the duty to defend...). You've got to have a real bummer of an accident to cause \$1 Million in damage. In terms of cost, this liability coverage currently represents about \$4.80 of your annual membership fee. The liability cost per member has increased compared to a few years ago, primarily because the insurance industry is experiencing more lawsuits and larger damage awards for liability claims in general.

Bodily Injury: I like to think of this as a "no-fault" injury policy because it pays medical expenses if you hurt yourself in a ROAR sanctioned race (trip over your own feet turn-marshalling) up to \$10,000. Most member's accidents are minor and fall within the current \$200 deductible for each claim, however, a broken leg with resulting hospital and doctor bills adds up real fast with today's high medical costs. In terms of cost, the bodily injury coverage currently represents \$1.40 of your annual membership fee. During the last few years, the insurance company has paid claims including one for nearly \$6000 to cover medical costs for a member's broken arm. It also rejected one claim for nearly \$1000 identified by the Emergency Room physician as a skateboarding injury, which obviously was not RC related. One aspect of both policies of insurance is that they are secondary to any coverage you may have that is already obligated to pay the covered expenses. In other words, you would not be able to receive payment twice for the same expense.

A ROAR sanctioned race is one run by a ROAR Club or Track with an approved sanction from ROAR. Clubs are automatically issued a certificate of insurance naming them as an additional insured under the member policy. If they use someone else's property for a race, the insurance company will add that party, (landlord, city park, shopping center) as an additional insured for a nominal fee (currently \$67.11 including insurance tax). These additional insured parties have the same coverage as the member. Again, remember the main value here is the insurance company's "duty to defend" and the lawyers tendency to sue anyone even remotely connected with the event looking for deep pockets. The key element to all of this, particularly for the Clubs, is that the insurance coverage is related to the individual member insurance, and if the person having an accident is not a ROAR member the insurance company doesn't recognize him. The track's coverage depends upon having all racers be ROAR members. Remember to let the race director or track owner know of any accident, and write down his name and number, so the insurance company can verify the details of any claim submitted.

The \$6.20 of your membership fee devoted to the insurance program is an excellent value particularly in this day and age when there are so many lawsuits. We want to make sure that all racers at our events are protected by the insurance coverage, so make sure that you are participating in a ROAR sanctioned race run by a ROAR Club (listed here in Rev-Up under your Region report), and that everyone participating in your club events is a ROAR member. It's cheap insurance.