

## Does your Union have a giant gap in insurance?

You can't imagine how many times we have heard "we've never had a problem in the past, so I think we are fine." Until something bad happens. If odds are in your favor, your building has never burned down or the copper has not been stolen from your air conditioning units. However you still carry insurance on these assets, not based on what has happened in the past, but what could happen.

Why do you protect one type of asset (your building), but leave another type of asset (your Local's general operating fund) exposed?

**Can your Local afford to defend a lawsuit against the local?** In deciding if your organization needs Union Liability insurance, please consider the following.

As an Officer of a labor organization, the DOL imposes a fiduciary responsibility on you to protect your Local's assets (building, contents, autos and general fund). Breaching that fiduciary responsibility by protecting some assets while leaving other assets exposed subjects the Officers to fines (which will need to be paid personally) and leaves the Local exposed to uncovered losses—making a bad economic situation even worse!

Labor organizations have hundreds of thousands of dollars in their general fund, and it is typically protected only with a Labor Organization Bond for only one type of loss: employee theft, and probably for not more than 10% of the assets as required by the DOL. All other types of exposures for claims of DFR, harassment, discrimination, wrongful termination, fiscal mismanagement, etc. Such claims are NOT covered by your labor organization bond or general liability policy. Yet the risk is severe as the frequency of these types of claims doubled last year and the cost of such losses can be tens of thousands of dollars.

So, when fulfilling your fiduciary responsibility by considering protecting your Local with the broad coverage afforded by a Union Liability policy, it is gravely important to not base decisions on the past but on the potential likelihood of pricey lawsuits in the future.

Below are a few examples of common claims covered by a Union Liability policy:

### **Breach of Duty of Fair Representation – Passed up Promotion**

Union member files a grievance

against her employer claiming that the employer passed her up for a promotion. Union considers claim but decides not to aggrieve because the union considers her claim to be meritless. Union member files a NLRB charge or lawsuit against the Union claiming that they breached their duty of fair representation in failing to aggrieve her claim.

### **Employment Practices - Wrongful Termination/Discrimination**

Employee of the union files a NLRB or EEOC charge or lawsuit alleging that the union wrongfully terminated her based on her gender, age, race, religion or disability.

### **Employment Practices - Sexual Harassment**

Union employee claims that her supervisor is sexually harassing her. As a result, she files a lawsuit claiming that she has been passed over for promotions after failing to engage in sexual relations with her supervisor.

Having a Union Liability policy in place covers these and many other exposures that arise from the day to day operations of a labor organization. Contact us today to get this coverage in place before it is too late.

## What it means to support Capital Stewardship

### **What is Capital Stewardship?**

The essence of organized labor is the commitment and practice of using union contractors, products, services, and vendors whenever it is an option. It helps to employ our union brothers and sisters in a variety of industries and trades.

### **How does the UIG-Fireman's Fund Labor Organization**

### **Insurance Program support Capital Stewardship and create union jobs?**

By reinvesting in the union-based economy, the program creates union jobs by utilizing union labor with each property and auto claim. Fireman's Fund supports their insureds to hire union contractors and vendors for claims work, even when there is

a possible cost increase. Most carriers simply procure the least expensive option.

### **No chump change here.**

Construction and repair work involving insurance claims comprise about 50 million man-hours annually. It is up to us to take the lead and demand our carriers to support our choice to use union labor.

### **Special Interest Articles on back:**

- Union Employees driving their personal vehicles for union business? What you need to know.

- Get the update on UNION Insurance Group's NASCAR team's standings.

- How Fireman's Fund gives back to firefighters and their families.



**UNION Insurance  
Group Race Team  
Upcoming Races**

**New Hampshire  
Motor Speedway –**  
Race date: 9/18/10  
Airs on SPEED:  
9/18/10, tape  
delayed

**Stafford Motor  
Speedway –**  
Race date: 10/3/10  
Airs on Versus:  
10/6/10, 7 PM;  
Re-air on Versus:  
10/10/10, 11 PM

**Thompson  
International  
Speedway –**  
Race date: 10/17/10  
Airs on Versus:  
10/20/10, 7 PM;  
Re-air on Versus:  
10/24/10, 11 PM

## Union employees driving their personal cars for Union business? What you need to know

Now, more than ever, Local unions are under immense pressure to keep costs down. Reduced hours and increasing competition from non-Union contractors/suppliers make running leaner a necessity.

As a result, many locals no longer purchase automobiles for their officers and agents to use for union business. After all, by not providing auto fleets, the Local avoids large costs. However, there is a way for the Local to achieve monetary savings, AND solve a critical problem. This is possible via a *dollar lease back arrangement*.

Most Locals directly pay or reimburse the employee's personal insurance policy and provide a stipend for using his/her personal vehicle for

regular union business. Most of the time, these personal policies cost an average of 35-40% more annually than if the vehicles were insured under a main commercial automobile policy controlled by the Local.

Case in point, a Local who was paying \$21,000 to reimburse personal auto premiums was able to reduce the total premium to \$14,000 by utilizing a *dollar lease back arrangement*.

This type of agreement gives the Local insurable interest in a vehicle without transferring title or maintenance responsibilities of the vehicle to the Local. A simple agreement between the Local and the Employee to lease the vehicle to the Local for \$1

enables the Local to put a commercial auto policy in place at lower premiums. Additionally, it usually includes 4-10 times more liability coverage than a personal policy can offer.

The commercial auto policy also provides coverage on a primary basis instead of secondary. This gives the Local more control and protection than trying to rely on a personal policy that is not designed to cover organizations.

In short, it is a cost-effective and sensible way to protect the best interests of the Local instead of leaving it in the hands of the employee.

Contact UIG for help implementing one of these plans. It is easy and is at no additional cost to you.

## UNION Insurance Group NASCAR drives up points

We are in the midst of the best season yet for our UNION Insurance group title-sponsored third-generation union member Renee Dupuis on NASCAR's ultra-competitive Whelen Modified Tour.

As our newsletter goes to press, our team is ranked 17<sup>th</sup> out of 56 total teams. With that in mind, our goal of a top-15 points finish remains well within reach. As we have expanded our visibility in the series this season, we've had a greater

opportunity to network with our union brethren. Most recently, several members of various Fire Fighter Locals and Teamsters Locals from Connecticut have become fixtures at the track for several races. Union members have been bringing their organization's decals where we have proudly affixed them on the tail panel of our car – and Renee is amassing a collection of union t-shirts to wear on race day.

If you are interested in joining the fun and take in a race with us

we would be thrilled to host your organization as our special guests.

For those who aren't able to join us in person, all of our races are televised on either the SPEED or Versus networks. We look forward to seeing the UNION Insurance Group name and logo during each broadcast.

For more detailed information about our race team, please visit Renee's website at [www.ReneeDupuis.com](http://www.ReneeDupuis.com).

## Supporting Firefighters is part of the program

Fireman's Fund Insurance Co (FFIC) was founded in 1863 with a mission to give a portion of its profits to support firefighters. They were one of the few insurance companies to honor all claims following the 1871 Chicago fire and 1906 San Francisco earthquake. And they continue their founding mission by supporting firefighters for

safer communities through the Fireman's Fund Heritage<sup>SM</sup> Program.

This program partners FFIC with agents including UIG to provide grants and volunteer support to local fire departments, national firefighter organizations and non-profit fire and burn prevention organizations.

To date, about 10 million dollars in grants have been awarded through the program.

Contact us at UNION Insurance Group today to nominate your local fire department for a grant or share information about their needs by filling out a fire service needs survey at: [www.firemansfund.com/heritage](http://www.firemansfund.com/heritage)

