THE ASSOCIATION FOR GAFF RIG SAILING

**Current Insurance cover for all risks as supplied by Gallagher, Insurance/risk management and Consulting for the OGA dated Jan 2026**

**Outline and background:** Following the recent investigations into whether to become a company limited by guarantee or to stay as we are, un-incorporated, some investigation into our Directors and Officers' (D&O) Liability Insurance, cover was deemed necessary.

This resulted in an email from Colin to the AC, in October prior to an ACM giving some assurances that we had ample cover and all was well. This information came from our brokers Gallagher.

I asked the question "Can we not get the information from the underwriters as opposed to the brokers"? Others asked the same question later at a following EO ACM, and I ended up on the sub-group to investigate further:

- An Extraordinary ACM was called and at that meeting the "Liability and Risk Assessment Working Group" was formed and tasked with the job of reviewing these topics and started looking into the insurance cover. This was with a view to allow the OGA to remain as an unincorporated entity, following the RYA legal department guidelines.

- After an initial enquiry out to Gallagher, it was apparent that they had to have a recommendation/request from Colin for them to allow me to contact them directly and talk to them on the OGA's behalf. This was requested and it was some time before I got to talk to their RYA account handler, Caroline Witek.

- On 19th December I received an email from Caroline – see extract below where several of the types of cover that we have are listed.

- I was also informed by Gallagher that they have a special status as brokers. They have "delegated authority from the underwriters in respect of the RYA Combined Insurance covering the liabilities for the association" this allows them to deal directly as underwriters with many issues of insurance cover . This means that for example they can set out policy cover and make any changes to it, for instance they can change the type or number of boat(s) covered without reference to the underwriters BUT they are limited. Eg they are unable to extend cover from territorial UK waters to foreign waters.

- This last point was reiterated in a phone conversation with Caroline. I expressly asked, when reading the cover for Directors and Officers, whether it includes all committee members and other non-committee members deemed suitable to be acting for and on behalf of the OGA, which it does.

- During that conversation, Caroline pointed out that we have extensive Public Liability cover which covers injuries etc to third parties AND that we have D&O Liability cover for any possible negligence claims for up to £1,000,000 (£1 Million)

- Therefore, please note **Definitions of Cover** in the extract below, where the difference between D&O Liability cover and Public Liability is explained. I have noted from various recent conversations with some members that there has been some confusion in this area.

- I have an "open call" status with Caroline of Gallaher should we have any further queries, and she supported the view that if we need to make any changes to our officers' handbook we should have it reviewed by a legal body.

- This document has been verified by Caroline Witek for issue to the AC and AGM.

Pete Elliston
East Coast Area Secretary/ Vice President acting on behalf of the "Liability and Risk Assessment sub-group"
January 2026



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Extract from email from Caroline Witek to Colin Stroud and Pete Elliston, 19th December 2025:

For clarity, the Management Liability/D&O policy which we provide give protection for any committee member, officer, director or trustee of the insured group/club/ association should a claim for an alleged negligent/wrongful act be made against them by a third party (typically resulting in financial loss).

Please find a few (but by no means a comprehensive list) of scenarios that the Management Liability Package Policy would provide cover for;

- **Conflict of Interest**: The sailing club committee is responsible for making decisions regarding the club's operations, including the selection of vendors and contractors. A committee member has a personal relationship with a vendor and fails to disclose this conflict of interest, resulting in the club entering into an unfavourable contract. The vendor later sues the committee member and the club for breach of contract, alleging favouritism and improper decision-making.

- **Financial Crime**: (Covered Under Crime cover extension only-Up to £50,000 is included within the quotation provided which is free of charge)
The committee is entrusted with managing the club's finances, including membership fees, event revenues, and sponsorship funds. A committee member (who could be the treasurer), embezzles a significant amount of money over a period of time. The club discovers the fraud and takes legal action against the committee member

- **Discrimination and Harassment**: A member of the sailing club files a complaint against a committee member, alleging discrimination and harassment based on their gender. The club investigates the matter and finds evidence supporting the claims. The affected member decides to pursue legal action against the committee member and the club for damages related to emotional distress and loss of reputation/slander.

- **Breach of Fiduciary Duty**: A committee member, who is also a local business owner, uses their position to secure sponsorship deals for the club with their own companies at inflated prices. This self-dealing violates their fiduciary duty to act in the best interest of the club. Other committee members discover the misconduct and take legal action against the individual for breach of fiduciary duty, seeking restitution for the financial harm caused to the club.

- **Misrepresentation of Club Funds**: The committee, in an attempt to attract new members and secure additional funding, misrepresents the club's financial health by inflating revenue figures and downplaying existing liabilities. A potential sponsor conducts due diligence and discovers the misrepresentation, leading them to withdraw their sponsorship offer. The sponsor sues the committee and the club for fraudulent misrepresentation, seeking damages for the financial loss incurred due to reliance on false information.

These scenarios highlight just a few of the potential risks and liabilities that a sailing club committee may face, emphasising the importance of having a management liability/Directors & Officers policy to protect the committee members and the club/ association from financial losses associated with legal claims. The main thing to consider is that we are all only human and whilst the above situations may not have been intentional, they may be construed as carried out with intent.

**DEFINITIONS of COVER**

**Public Liability** (Cover currently provided under the RYA Combined policy) provides cover for any *accident, injury* or *damage to property* through the negligence of the club, association, committee or members. Public liability insurance will not cover legal defence costs arising from claims or losses other than those of a property damage or personal injury claim.

**The Management Liability** (also known as Directors & Officers)
A Management Liability policy typically provides coverage for claims made against directors, officers, and other key management personnel for alleged wrongful acts in the management of the organisation. This can include coverage for legal defence costs, settlements, and judgments.

This policy provides cover for Directors, Officers, Trustees & Employees (anyone deemed competent by the committee to carry out a duty/ decision making on behalf of the club) for any financial costs and reimbursement for costs that may be incurred for which these people would be liable. The policy would provide assistance with legal fees following e.g. breach of confidentiality, a member of the committee being found liable for slander and disputes with contract agreements. <u>The Management Liability policy will not provide any cover for injury or damage to a third party (this is covered by the Public Liability section of the RYA Combined policy)</u>

I hope that this provides the clarity which you require, however if there have been any particular scenarios raised by the committee or individual, please let me know and I'll respond by email, so you have confirmation in writing. Alternatively, I will happily have a conversation with you if you would prefer.



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