

Irving Miller

From: Wayne Van Every [vaneasy200@aol.com]
Sent: Wednesday, May 01, 2013 8:10 AM
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Cc: ilmiller@kmwb.net
Subject: Updated AAW Insurance Information
Attachments: AAW Demonstrator Sample Contract.doc; AAW Insurance Fact Sheet.pdf

I have attached the AAW's fact sheet for the insurance we have purchased through the them. We have the general liability coverage AAW Blanket Coverage. Some key points that we need to do or abide by to insure the Club's activities are covered;

1. Demonstrators must be AAW members. (Not sure if this applies to hands on coaches, mentors or what we want to call ourselves but I assume it would be the case.)
2. Demonstrators must now sign the Demonstrator's Contract as a new requirement to be covered a requirement by the insurance provider.

I suggest everyone read though the info, if there are specific questions contact the AAW or the Insurance Provider.

Irv if you want to file the attachments in the repository for everyone's future reference that ay they are available to everyone in the Club.

Letter from the AAW:



American Association of Woodturners

To: All AAW Affiliate Local Chapters

I want to personally thank those of you who contacted us early and have already filled out the [chapter insurance participation form](#). For those of you still reviewing insurance options, there is still time to indicate your interest to us if you will be contributing toward the AAW Blanket insurance policy. The grace period to allow chapters time to study the coverage and decide whether to participate for the full 12-month policy period, and pay the \$90 contribution to "opt-in" will expire on April 15th.

We've fielded a number of insurance-related questions since our last communication and for everyone's benefit I want to include a few important points of clarification:

- Chapter general liability insurance protects the chapter as a separate entity if there is a claim or lawsuit made because of an accident, injury or property damage result from chapter-sanctioned activities. Having the general liability insurance

makes it possible for a chapter to present a meeting space host or landlord with proof of insurance.

- AAW members are individually insured when they are performing AAW sanctioned business and when they are performing chapter sanctioned business. This comes as a benefit of paying the AAW membership dues, irrespective of any insurance option selected by the chapter. And the insurance for AAW members is valid whether or not they receive compensation for their services -an AAW member who is paid for demonstrating for another AAW chapter is insured.
- The AAW Blanket insurance policy excludes any coverage for activities conducted in a private residence. The Optional policy from The Hartford (\$425) does include coverage for private residences. This is a major distinction between the two policies.
- Both the AAW Blanket policy and the Optional policy do contain a coverage provision to insure volunteer workers who are performing the business of the chapter.
- A [demonstrator contract template](#) has been created for the benefit of helping chapters document demonstration services and this has been reviewed by the AAW's pro bono contract lawyer. The template can also be viewed on our website at the link: [AAW Demonstration Template](#).
- The 12-month policy year for the AAW Blanket insurance runs from 2/15/2013 through 2/14/2014.
- ACORD insurance certificates (proof of chapter insurance) are issued by the respective insurance agents. Here is the contact information to receive certificates:

AAW Blanket Policy
Roehrs & Company, Inc
PO Box 100 Exton, PA 19341
P: 888.467.3557
F: 610.363.5231
www.roehrs.com

AAW Optional Insurance
AMJ Insurance, Inc.
7150 Winton Dr., Suite 300
Indianapolis, IN 46268
P: 888.258.6820
www.AssociationMembersInsurance.org

I am available to answer any remaining questions about the coverage. Please feel free to email me or call the AAW office.

Sincerely,

Phil McDonald
Executive Director

As much as we attempt to keep our list of chapter officers current, if you are no longer a current chapter officer, we would appreciate that you forward this email to the appropriate individual(s) within your club.

American Association of Woodturners
woodturner.org
651-484-9094 or 877-595-9094

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Insurance Coverage for AAW members and Affiliate Chapters for 2013

Fact Sheet

For many years the AAW purchased a commercial general liability (GL) insurance policy underwritten by Travelers Insurance Company. Through that single “blanket liability” policy the AAW was able to insure all of the national organization, AAW members individually, and our affiliated local chapters. In 2012, due in part to a steep increase in premium costs, the AAW solicited bids for a new policy. At that same time we were informed by Travelers that their blanket liability policy renewal would no longer extend coverage to our chapters. This created a substantial problem for us because virtually every insurance carrier that was contacted by our agent declined to furnish a policy quote to insure our chapters out of their concern about rating the risk of insuring over 300 additional individual entities. We have since had as many as five agents simultaneously searching for an affordable replacement that would allow us to continue to extend full coverage to our chapters.

As of February 15, 2013, a resolution to this temporary loss of chapter insurance coverage was reached. The AAW has put together two new alternative insurance programs – one of which is a replacement blanket general liability policy purchased by the AAW that contains coverage for the AAW nonprofit corporation, our members, and our approved chapters/clubs (i.e., “chapters”). The second is an optional general liability policy available for purchase individually by an approved AAW chapter. While there are many similarities between these two alternatives, there are also some very distinct differences. Although we have been able to restore comprehensive coverage for our chapters, premium costs have also escalated and we will no longer be able to fully subsidize the cost as we have in the past. Below is a comprehensive summary of the coverage limits and basic terms and conditions of each program. We have divided this information into three separate sections:

- **COVERAGE FOR AAW MEMBERS**
- **COVERAGE FOR AAW CHAPTERS**
- **GENERAL QUESTIONS ABOUT THE AAW INSURANCE AVAILABLE IN 2013**

COVERAGE FOR AAW MEMBERS

1) What insurance is now available to AAW members?

The AAW has purchased a new corporate blanket GL insurance policy. The policy is being underwritten by Philadelphia Insurance Company through the Roehrs & Company, Inc. agency in Exton, Pennsylvania. This new policy is very similar to the former policy. It provides insurance for the national organization, AAW members, and chapters. It also offers several new features that enhance the levels of protection and the quality of the insurance coverage. In general, this insurance protection is extended to any AAW member involved in any sanctioned AAW or chapter activity or event, in any capacity during:

- 1) The AAW annual symposium;
- 2) Regular AAW chapter meetings and events;
- 3) Any officially sponsored or endorsed activity by either the AAW or any of the chapters.

2) What does this policy insure and what are the limits of insurance available to AAW members?

The policy provides insurance coverage in two ways. First, it will reimburse an AAW member's medical expenses up to \$10,000 per incident resulting from an accident or injury, regardless of fault. Second, it will pay for damages because of bodily injury, property damage, or personal and advertising injury. The insurance company has the right and duty to defend the AAW member against any "suit" or claim. The limits of insurance available are \$1M per incident up to an agreement annual limit of \$2M.

3) Under what circumstances are AAW members not covered?

While it's impossible to speculate on every given hypothetical scenario, there are some situations where AAW members clearly are not covered:

- 1) Personal activities at home or in a shop or studio or anywhere else if totally unrelated to any business of a club or the AAW; or,
- 2) Any professional business activity undertaken by the member that is not related to a chapter- or AAW-sanctioned activity or event; or,
- 3) Any incident arising out of the use of alcohol or any gross negligence unrelated to the business activities of the AAW or chapter.

4) If I am an AAW member and I volunteer or receive compensation for demonstrating, am I covered?

In general, yes; the AAW has made considerable efforts to obtain the most robust coverage possible for our members. But coverage will depend on certain circumstances. The policy extends coverage to AAW members who are performing duties on behalf of the AAW and/or on behalf of a chapter.

You have *personal liability insurance protection as a demonstrator if:*

1. *You are volunteering your time to an officially sanctioned AAW or Chapter meeting or event; or,*
2. *You are compensated for your time while demonstrating for an officially sanctioned AAW or Chapter meeting or event; or,*
3. *Through no fault or negligence of your own, you are named in a lawsuit filed against the AAW or Chapter.*

You do not have personal liability insurance protection as a demonstrator under this policy if:

4. *You are not an AAW member; or,*
5. *You are performing any services independently for yourself or for any organization other than the AAW or AAW chapter.*

To be covered while demonstrating, the new insurance policy now requires a written, binding contract between you as demonstrator and the AAW or AAW chapter specifying the performance of your duties. Professional demonstrators are strongly encouraged to consult with an insurance specialist about obtaining a business owner general liability insurance policy to more fully protect your personal interests.

5) Am I covered if, during an AAW or chapter event, someone else injures me?

Remember that the policy provides two forms of coverage – no fault reimbursement for medical expenses and general liability protection in the event someone else brings a claim or suit against you. If you are injured during a sanctioned event, you would be eligible for reimbursement of medical expenses up to \$10,000 per incident, without determination of fault. The policy requires that the AAW member pay a \$250 deductible per claim. The general liability protection in the policy is not relevant in this example because another party is not making a claim against you.

6) Are guests or visitors or youth covered by the policy?

It is most important to remember that the policy coverage is only available to AAW members to protect them individually against a claim or lawsuit, up to the stated limits of the policy. Guests or visitors to a sanctioned event do not have this same individual personal protection

under the policy. There is, however, a 3rd-party coverage provision to pay up to \$5,000 in medical expenses without determination of fault if anyone who is not an AAW member brings forward a claim due to an injury incurred during a sanctioned event.

The AAW and many of our chapters have a long history of engaging youth in turning workshops and mentoring programs. The AAW has always made provisions to issue complimentary youth AAW memberships and this specifically enables them to access the personal insurance protection in this policy. We strongly advise that all youth involved in sanctioned turning activities become registered as members with the AAW.

7) What do I do if I need to file a claim?

If any circumstance arises where it is necessary to file an insurance claim, even if there is any uncertainty or doubt about whether a claim is justifiable, contact the AAW immediately at 877-595-9094 or 651-484-9094.

1) **What insurance is now available to AAW Chapters?**

As of February 15, 2013, two new alternatives have been arranged to allow the AAW to exclusively offer general liability insurance to approved AAW chapters. We are referring to these two programs as:

- (A) The “AAW Blanket Policy Plan” and
- (B) The “AAW Optional Plan”

Each is made available exclusively to AAW chapters. The unique features of each are further described below:

(A) The “AAW Blanket Policy Plan”

This is the same commercial liability policy described above in the section addressing coverage for AAW members, thus many of the terms and conditions when applied to our chapters are identical. The AAW purchased this coverage specifically so that it could maintain the coverage previously available for our chapters. One unique feature of this liability policy is that it does not contain typical 3rd-party exclusions. This is an important improvement over our previous insurance because it places fewer limits on the protection available to AAW members and chapters in the event that a lawsuit is filed.

a. What do the chapters have to do to be eligible and participate in this policy?

All chapters in good standing with the AAW are eligible. For a chapter to participate, two requirements must be met:

- (1) The AAW Official Policies require that the current four major officers of any AAW-affiliated chapter must be AAW members in good standing; and,
- (2) Chapters are required to make an annual contribution directly to the AAW of **\$90.00** to help offset the higher cost of the policy premium.

This policy coverage was bound on February 15, 2013, and the AAW has granted immediate access to this insurance protection for all chapters as of that date. Thereafter, all chapters are allowed a 60-day grace period to meet the two requirements set forth above to maintain coverage beyond the 60-day grace period for the remainder of the 2013 policy year. This grace period will expire at midnight CDT on April 15, 2013. Chapters will always have the opportunity to participate in the blanket insurance plan in subsequent policy years.

b. Why do the chapters have to pay to be eligible for this policy?

Historically, the AAW was always able to fully subsidize the cost of extending its blanket liability coverage to all of its US and Canadian chapters. Even though every conceivable alternative has been pursued to find a replacement policy with a premium that falls within the AAW's budgeted ability to cover the cost, we are simply unable to continue to fully subsidize the cost for our chapters. Even after exhaustive efforts to obtain competitive bids, the premium for the new AAW blanket policy is still nearly twice the amount we have budgeted for 2013 and four times what we paid in 2011.

c. What are the insurance limits?

\$1M per occurrence and \$2M in aggregate annual coverage *per chapter*. This is a significant improvement over the previous limits.

In our prior policy, these limits were set for the AAW as a whole and spread across all chapters.

In return for their \$90 annual contribution, chapters receive up to \$2M in liability insurance protection.

d. Who is insured?

The AAW Blanket Policy Plan insures the chapter as an entity and it also insures those chapter members who are AAW members in good standing. This insurance is available in the US in all 50 states, Puerto Rico, and all Canadian provinces.

e. Are all chapter members required to be AAW members for the chapter as an entity to receive this insurance?

No. However, only those individual members who are also AAW members will have the personal protection available through this insurance.

f. Does this policy extend protection to our demonstrators?

Yes, under most situations. The policy extends coverage to all AAW members when they are acting on behalf of the AAW and our chapters. This is the case whether they are volunteering or receiving compensation for their services.

*Your demonstrators **do have** the personal liability insurance protection if:*

- i. They are AAW members in good standing. This is the case whether they are volunteering or when they are receiving compensation for their time and service; or,*

- ii. *They are not an AAW member and they are only volunteering their time (they are not covered if they receive compensation for their time); or,*
- iii. *They are not an AAW member and if, through no fault or negligence of their own, they are named in a lawsuit filed against the chapter – whether or not they are being compensated in return for their services.*

Your demonstrators **do not** have the personal liability insurance protection if:

- iv. *They are not an AAW member in good standing and they are being compensated for their services.*

Furthermore, a chapter that hires a paid demonstrator who is not an AAW member should insist that the demonstrator carry a professional general liability policy and furnish a certificate of insurance naming the chapter as an additional insured. A demonstrator who is not an AAW member may expose the chapter and the AAW to risks that may not be protected under this policy.

g. Will my chapter be able to obtain an ACORD certificate if required by the landlord or facility hosting the location used for chapter meetings and events?

Yes.

h. Will this coverage protect me if I conduct official chapter business in my home?

No. This policy excludes private residences because the insurance carrier requires that that exposure be covered under a separate home-owners policy.

i. How do we obtain an ACORD Insurance Certificate?

Contact the insurance agency direct at:

Roehrs & Company, Inc.
1-888-467-3557

If any circumstance arises where it is necessary to file an insurance - claim, even if there is any uncertainty or doubt about whether a claim is justifiable, contact the AAW immediately at 877-595-9094 or 651-484-9094.

(B) The “Optional Plan”

This is an entirely separate general liability policy being sold through AMJ Insurance Agency, 317.735.4072 / 888.258.6820 ext. 172, and underwritten by The Hartford. This is a traditional 3rd-party liability policy and the provisions do contain some differences from what was described above for the Blanket Policy. This coverage is primarily intended to protect the chapters and their club members against claims made by persons who are not actively volunteering for (or employed by) the chapter at the time that an accident or injury takes place.

a. What do the chapters have to do to be eligible for this policy?

All chapters in good standing with the AAW are eligible. For a chapter to participate, two requirements must be met:

- (1) The AAW Bylaws require that the current four major officers of any AAW-affiliated chapter must be members in good standing; and,
- (2) Chapters must purchase the optional policy directly from the agent cited above. The annual premium for 2013 is **\$425.00**.

b. What are the insurance limits?

\$2M per occurrence and \$4M in aggregate annual coverage *per Chapter*.

c. **Who is insured?**

The Optional Plan insures the chapter and all of its members. As of February 1st, this Optional Plan is available to chapters located in the 48 contiguous states in the US only.

d. **Are chapter members required to be AAW members to have the insurance?**

No; all members of the chapter are covered regardless of whether or not they are AAW members.

e. **What exactly does 3rd-party coverage mean for us and how does this differ from the AAW Blanket Policy coverage?**

By way of example, on a typical homeowner's policy, if one spouse or named insured injures another spouse or named insured, the policy will not cover the accident since both are named insured. If someone not named as an insured (called a 3rd party) is injured, the policy covers the accident. Under this "optional plan," if one chapter member injures another, there is no 3rd party exclusion and the insurance would cover the accident unless one chapter member while in the act of volunteering for the chapter injures another member who at the time of the accident was also volunteering; then it would not. If a chapter member, while volunteering, injures another chapter member or anyone else that was not volunteering, the policy would cover the accident.

f. **Will my chapter be able to obtain an ACORD certificate if required by the landlord or facility hosting the location used for chapter meetings and events?**

Yes.

g. Does this policy extend protection to our demonstrators?

It depends. The policy does extend coverage to any club member who is volunteering on behalf of the chapter (note the exclusions cited above in section d.). There are several unique scenarios that need to be considered to determine whether coverage exists for a demonstrator who is not a member of the chapter:

Your demonstrators **do have** the personal liability insurance protection if:

- i. They are AAW members in good standing; or,*
- ii. They are club members (and not AAW members) and they are volunteering their time; or,*
- iii. They are neither an AAW member nor a club member and they are only volunteering their time (they are not covered if they receive compensation for their time); or,*
- iv. Through no fault or negligence of their own, they are named in a lawsuit filed against the chapter – whether or not they are being compensated in return for their services.*

Your demonstrators **do not** have the personal liability insurance protection if:

- v. They are receiving compensation for their services; or,*
- vi. They are neither an AAW member nor a club member and they receive compensation in return for their services while demonstrating and are named in a lawsuit arising out of a claim of negligence on their part.*

Your demonstrators **may not** have the personal liability insurance protection if:

vii. While demonstrating, they cause harm or injury to another member who is also volunteering in an official capacity on behalf of the club.

Also very important to note is that the new insurance policy requires that there must be a written contract between the demonstrator and the chapter in order for the insurance policy to be in effect.

h. Will this coverage protect me if I conduct official chapter business in my home?

Yes. This policy does not exclude private residences as long as the event or activity is officially sanctioned by the chapter.

j. How do we obtain an ACORD Insurance Certificate?

Contact the insurance agency direct at:

AMJ Insurance, Inc.
1.888.258.6820 ext. 172

If any circumstance arises where it is necessary to file an insurance claim, even if there is any uncertainty or doubt about whether a claim is justifiable, contact the AAW immediately at 877-595-9094 or 651-484-9094.

GENERAL QUESTIONS ABOUT THE AAW INSURANCE AVAILABLE IN 2013

1) Why did the AAW drop the chapter insurance coverage after 2012?

The AAW didn't unilaterally drop this coverage. The insurance carrier that has written this policy for us for many years made the determination that after 2012, chapters would no longer have the coverage available in the AAW blanket general liability policy. Our search for a replacement policy resulted in very, very few carriers willing to quote a new policy that contained any suitable coverage for our chapters.

2) Why did it take AAW so long to resolve this problem?

It has been many years since AAW sought new bids for the GL insurance. Many insurers were willing to offer us a replacement standard GL business insurance policy that would have included basic coverage for the AAW Corporation and for our AAW members, and at a considerably lower annual cost – but ***without including chapter coverage***. In our search for a replacement GL policy for chapters we encountered a problem that we did not anticipate. Underwriters told us that they were unwilling to rate a policy because of two primary concerns: 1) the informal relationships we have with our chapters (rather than formal and organizational) makes it difficult to quantify the risks; and 2) the AAW's lack of ability to exercise any meaningful influence over chapter activities makes it difficult to control and manage these risks.

3) What if our chapter chooses not to purchase either of the two AAW insurance alternatives?

Chapters retain the option of selecting their own general liability insurance. Each chapter may independently purchase a GL policy on their own; there is no requirement to purchase from either of the two new alternatives that the AAW offers exclusively to chapters.

4) How much did the AAW save in lower premium costs when the chapter coverage was removed from the Travelers policy?

Nothing. The premium remained the same. This policy was renewed as an interim measure to ensure we maintained our nonprofit commercial general liability insurance and the insurance for AAW members. Indirectly, this change has exposed us to higher premiums. As a sign of the current times, insurers told us that they were unwilling to accept the risk of underwriting a policy for us because our organizational relationship with our chapters is informal rather than formal, and because the AAW has limited practical ability to exert control over chapter activities.

5) How much is the new AAW commercial blanket liability insurance premium?

Approximately \$40,000 per year. For this premium amount we are essentially able to maintain the same coverage that cost us \$11,000 in 2011 and \$24,000 in 2012.

6) **If our club already paid \$425 to obtain coverage through the Optional Plan are we also eligible for the AAW blanket insurance policy?**

Yes, but only if the chapter makes the **\$90.00** contribution toward the blanket policy premium.

7) **If our club already paid \$425 to obtain the optional general liability insurance policy through The Hartford, can we cancel this and obtain coverage through the AAW blanket policy?**

Yes. But before doing this you are advised to consider carefully the differences between the two policies. For some chapters, the higher premium cost may make sense in return for the higher additional coverage limits and for the ability to extend coverage to all club members.

8) **All of this information relates to “general liability” insurance coverage. What is not included in a general liability policy?**

General liability insurance provides protection against claims and lawsuits because of "bodily injury," "property damage," or "personal and advertising injury." The insurance company has the right and duty to defend the insured against any "suit" or claim.

The following types of insurance can be purchased separately and are not included as part of the AAW GL insurance programs; nor were they ever previously included in the AAW GL insurance plan:

- 1) Business Owners Liability Policy.** This is liability insurance with similar features to what the AAW offers, but it is intended for individuals who are professionals and are compensated for their services. Typically this policy would be purchased by individuals or businesses that are formally organized as a corporation, sole proprietor, LLC, or other formal business entity.

2) Directors and Officers Liability Insurance (often called D&O). This is liability insurance payable to the directors and officers of a company, or to the organization itself, or to a chapter as indemnification for losses as a result of a legal action (whether criminal, civil, or administrative) brought for alleged wrongful acts in their capacity as directors and officers.

3) Business Personal Property Coverage (and Property Owned by Others). This provides coverage for shop equipment, furniture, fixtures, merchandise, materials and all other personal property owned by individuals or clubs and used in your business. Coverage is at replacement cost. Property Owned by Others protects against loss or damage to the property of others that is in your possession at a job site or on your premises. This coverage would respond to claims for accidental damage to customer equipment in your care, custody or control.

SAMPLE – CHAPTER DEMONSTRATOR CONTRACT TEMPLATE¹

Demonstrator	Phone
Address 1	Cell
Address 2	Fax
City-State-Zip	Email

Demonstration Agreement

This agreement constitutes a contract between the above listed Demonstrator and the *{Chapter Name}*. It consists of three parts: the Offer (what is to be demonstrated and what each parties responsibilities are), the Terms (what consideration is to be paid by *{Chapter Name}*, and when it is to be paid), and the Acceptance (the signatures/consents of the Demonstrator and *{Chapter Name}* to be bound by the terms of the offer).

The Offer

General Items

- A. The Demonstrator confirms he/she is either a current member of the American Association of Woodturners in good standing, or is otherwise performing these services on a volunteer basis. If not, the Demonstrator must provide a General Liability Policy Certificate of Insurance of at least \$1,000,000 naming *{Chapter Name}* as an additional insured.

Additionally, this agreement confirms the Demonstrator's status as an Independent Contractor or Volunteer, and not as an employee of *{Chapter Name}*. This agreement formalizes the event as a *{Chapter Name}* chapter-sanctioned activity for AAW related insurance coverage(s) as applicable.

Please sign here indicating you have read, understand, and certify the above to be true:

Note: If you are a current member of the American Association of Woodturners, this agreement invokes your individual AAW general liability insurance coverage under the AAW commercial general liability insurance policy underwritten by Philadelphia Insurance Company, policy # PPK982724.

- B. *{Chapter Name}* is to provide materials, tools and support (such as unloading/loading of materials and tools at the demo venue, demo setup support, etc.) to the Demonstrator for a woodturning related demonstration as described herein and in conformance with any above listed References.

- C. Any work not specified in this offer, done at the request of the Demonstrator or *{Chapter Name}*, shall only be done upon written agreement (email exchange will do) or amendment to this agreement.
- D. The Demonstrator and *{Chapter Name}* will make every attempt to complete the demonstration as scheduled, subject to any causes beyond the control of the Demonstrator or *{Chapter Name}* which may prevent or delay such completion including, without limitation, any of the following: weather, change orders, availability of materials, acts of God, and postponements imposed by and for the benefit of *{Chapter Name}*.
- E. *{Chapter Name}* is to provide a free and clear demo/working area as is reasonable.
- F. *{Chapter Name}* shall be responsible for cleaning up the demo area after the Demonstrator has completed his/her demonstration and has removed their associated materials and tools.
- G. The Demonstrator agrees to follow generally accepted safety guidelines in a manner similar to those ascribed by the AAW; <http://www.woodturner.org/resources/safety.htm>
- H. Other general items as specified by the Demonstrator:

- I. Other general items as specified by *{Chapter Name}*:

Specific Items

- 1. The Demonstrator will demo the following woodturning technique(s) or associated related topic(s). Please provide a short description here:

2. *{Chapter Name}* shall make available the following lathes and tools. Demonstrator please check mark those to be used:

Description of Lathes/Tools, etc.

Description of Lathes/Tools, etc.

Description of Lathes/Tools, etc.

3. Although *{Chapter Name}* has a single chuck for each lathe, the Demonstrator should consider providing his own along with any lathe tools he may need.

4. The demonstration shall take place at *{location/address}* unless otherwise specified. Specify here if not at *{location/address}*:

5. The demonstration shall be held on: date _____; at (time) _____ and will take approximately _____ hour(s) to complete.

6. Other specific items as specified by the Demonstrator:

7. Other specific items as specified by *{Chapter Name}*:

Terms

The following terms will apply if compensation is being provided in return for these demonstration services:

1. All invoices are due and payable within ten days of receipt.
2. A \$_____ down payment is due upon acceptance of this agreement to show good faith and to reserve a spot in the Demonstrator's schedule. If this agreement is cancelled any time after signing by either party to this agreement, the Demonstrator shall return the down payment in full within ten working days.
3. If reasonable travel expenses are to be reimbursed, they are expected not to exceed \$_____.

4. Total cost to be paid to the Demonstrator for this demonstration is \$_____.

Acceptance

We find the offer and terms of this agreement satisfactory and they are hereby accepted. The Demonstrator is authorized to obtain the materials required to perform the demonstration as specified. Payment will be made as outlined in the terms above.

Demonstrator

Accepted by

Printed Name

Signature

Date

{Chapter Authority}

Date

¹ This sample contract for demonstration services is only intended to provide chapters with the basic elements necessary to document demonstration services in a manner consistent with how the AAW blanket general liability insurance and optional general liability policies define contractor relationships. A standard contract form such as this may not achieve the full level of protection that each individual chapter might need for all instances.

The purpose in having formal agreements is to be specific and reduce the agreement to writing so that misunderstandings are avoided. The person signing needs to have actual authority for greatest safety or at least apparent authority to bind the opposing side to the contract.

Each chapter should consider state law when adding any disclaimers of liability and should contact an attorney or insurance professional before entering into any agreement that purports to change the duties of the chapter under any insurance coverage it may have whether from AAW or from any other source.