



When property owners collectively rely on an access road to enjoy their properties, it is common for the owners to come together and form a Road Association. Acting on a voluntary basis, these property owners take on the responsibility to organize road maintenance, communicate with road members and collect fees as necessary.

Road Association insurance is necessary to protect the individuals and volunteers involved in the road organization against claims brought against the group alleging negligence with respect to the maintenance of the road.

What Is a Road Association?

Some groups are a loose collection of neighbours, while others are fully incorporated non-profit organizations. The group is comprised of individual volunteers and those members/property owners who contribute to the road fund. Regardless of the group's structure, it is considered a Road Association within our insurance program. In order for the volunteers and members to avoid exposure to personal financial distress should a claim be brought against them as a result of their involvement in the maintenance of the road, the Association should obtain insurance.

How Does the Policy Respond?

Upon receipt of such a claim, the Insurer will investigate the events leading to the alleged loss and provide the Association with a legal team to defend against the allegations. If the Association or volunteers are found to be legally liable, the Insurer will pay those compensatory damages awarded, subject to the policy limits. Policy limits up to \$10M are available within the program. The policy will respond to such claims which involve vehicles, pedestrians (i.e. slip and falls), uninsured recreational vehicles (i.e. snowmobiles, ATVs, etc) and others who may use the road, with or without the knowledge of the Association.

Commercial General Liability

Relying heavily on your volunteers, the work of your Association is invaluable to your community. Our liability insurance is designed for organizations operating on a not-for-profit basis. The policy will respond when legal actions arise which allege that the actions of the organization or its volunteers led to bodily injury or damage to the property of others. It is understood by this policy that these actions are related to your volunteer's management of maintenance of the roadway.

Who Is Insured?

Road Association insurance protects the Association itself and its volunteers who act on behalf of, and at the direction of, the Association. Our policy includes coverage to 'Members in Good Standing' within the Association should they be named in a claim simply because of their active status as a Member.

Why Road Association Insurance?

Without Association Liability insurance, the Road Association and its volunteers, if sued, will incur significant personal financial costs to fund their own defence. And, if it is determined that they are legally liable for the loss, they would also be personally responsible to pay the damages to the claimants.

Individual property owners along the road may be sued personally if a claim arises out of the maintenance of the road, regardless of their involvement. Personal home and cottage policies are not 'standardized' and so the necessary liability protection related to road maintenance may not be available to the property owner. If, however, the insurance is available under the home or cottage policy, and a claim is submitted, the personal policy premium could increase on future renewals. More importantly, the Insurer of the home/cottage could decide to non-renew once they have a better understanding of their exposure to road maintenance.

As it is impossible to know how each property owners' policy will respond, it is difficult to have confidence that every policy will provide adequate protection.

Road Association Liability Insurance plays a vital role in protecting the board members, volunteers and members of the Association. When a claim is presented, the Association insurance removes any uncertainty from the property owners as to whether their personal insurance has appropriate protection for their involvement in the road maintenance.

Cade Associates arranges insurance for hundreds of non-profit Road Associations and other organizations throughout the province. We are also proud to provide CottageFirst, a personal insurance solution for cottagers in Ontario.

[Visit cottagefirst.com for more details.](http://cottagefirst.com)

Frequently Asked Questions



Does our Association need to be incorporated?

No – Our Road Association insurance program is available to Associations who have not taken the step of incorporation. Your group should have a 'guiding document' which outlines the purpose of the group and how membership is determined, but incorporation is not required.

Will the Insurance cover winter maintenance?

Yes – Many Road Associations are involved in the upkeep of their roads year-round and the policy can be tailored to suit your specific requirements.

Does the Insurer require specific signage?

No – While signage alone cannot absolve legal liability, it does show reasonable decision making by the group to attempt to avoid accidents, and assists in your defence. Signage should indicate that the road is private, or has restricted access, etc. as appropriate. No two roads are alike, so the Road Association is encouraged to review their circumstances and consider what hazard signage (i.e. sharp turns, blind corners, etc.), speed signage or other markers may be helpful.

Are we required to hire insured contractors?

No – While it is strongly recommended that you hire insured contractors where possible to conduct road maintenance or snow removal operations, in some cases local options are limited and the Association insurance policy can be customized to suit your needs.

Is the policy still available if the road crosses Crown Land?

Yes – Whether the road crosses over land that is fully private, municipally owned, or Crown Land, the policy responds to your road maintenance activities.

Don't automobiles carry their own insurance for accidents?

Yes – If there is an auto accident on the road, the automobile insurance policies of the vehicles involved will respond first as primary insurance for any injury or damage to the property of others, and vehicle damage. However, an automobile policy will not provide protection to the Association or its members should the involved individuals bring legal action for alleged negligence in maintaining the road.