



**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 an association of neighbours, while others are fully incorporated non-profit organizations. In either setup, the group is comprised of members/property owners who contribute to the road fund, as well as a group of volunteers who help to coordinate the operations of the group. Regardless of the incorporation status, 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 responds with a "duty to defend", meaning they 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, including those involving vehicles, pedestrians (i.e. slip and falls), recreational vehicles (i.e. snowmobiles, ATVs, etc) and others who may use the road, with or without your knowledge.

## ✔ 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 as the Named Insured. Also considered an Insured are the "volunteer workers" who act on behalf of, and at the direction of, the Association. This policy includes also considers Members of the organization to be an Insured, should they be named in a claim arising out of the actions of the organization.

## 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 this road maintenance exposure.

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.

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# Frequently Asked Questions



## Does our Association need to be incorporated?

No – This Road Association insurance program is available for unincorporated Associations. However, even unincorporated groups are expected to have a document (eg. constitution, charter, etc.) used to capture the purpose of the organization, as well as to address such things as membership, administration and general operations of the organization.

## Will the Insurance cover winter maintenance?

Yes – Many Road Associations are involved in the upkeep of their roads year-round and the policy can accommodate your work in hiring a contractor for winter plowing and maintenance

## Does the Insurer require specific signage?

Not Always – Private Roads must be reasonably marked as such, but this may not be a fit for other roads (eg. crossing Crown Lands, etc.). 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. "Use at Own Risk" or comparable is of benefit. No two roads are alike, so the Road Association is encouraged to review their circumstances and consider what additional hazard signage (i.e. sharp turns, blind corners, narrowing road, etc.), speed signage, or other markers may be helpful.

## Are we required to hire insured contractors?

No – It is strongly recommended that you hire insured contractors where possible to conduct road maintenance or snow removal operations. However, the underwriters are aware that in some cases local options are limited, and so the Association insurance policy can be customized if a contractor without insurance must be used. Additional information may be required, so please contact our office.

## 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 defend you for 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.