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## **Chapter Fourteen: Bonding, Burglary, Holdup Insurance, and Liability Insurance**

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USBC maintains a policy of bonding, burglary and holdup insurance for all chartered associations. The bonding, burglary and holdup insurance coverage described in this section is available through a policy of insurance issued to USBC by an independent licensed insurance company. The policy covers:

1. Misuse of Funds. A shortage attributable to dishonesty by an association officer.
2. The taking of funds from an association officer, or board member, by violence or threat of violence.
3. Funds taken through the forcible entry into the premises or locked receptacle, where the funds are kept, by an association officer or board member. There must be visible evidence of forcible entry. An on-site police report is required.

Any board member authorized by the association to sign contracts and act as a signatory on any account must be a minimum of 18 years of age.

No insurance coverage is available except as specifically set forth in the policies of insurance purchased by USBC.

The surety company shall not be held liable for any loss which, on investigation in a given case, may have existed prior to the time the bond or insurance became effective.

The policies of insurance do not cover funds frozen through insolvency or liquidation of any financial institution. Further, the policies of insurance do not cover loss of funds due to bowling center insolvency or liquidation.

### **Association Coverage**

USBC chartered associations, with the exception of those located on US Military Bases in foreign countries, automatically are covered for \$10,000 and can obtain additional coverage without cost upon written request to USBC Headquarters or through the WinLABS program (adults).

The policies of insurance provide coverage for misuse of funds by an association officer and bonds all officers and directors of the association for loss of funds due to burglary and/or holdup. Coverage is further extended to a non-board member appointed by the association manager as the tournament manager of a required championship tournament.

The following conditions govern the method by which associations must handle its funds to qualify for 100 percent protection of any loss caused by the dishonest act of an association officer:

1. Funds must be deposited within one week in an insured bank or credit institution in the name of the association.
2. Withdrawals require the signatures of two authorized officers who are at least 18 years old; signature stamps should not be used, nor should checks be pre-signed.
3. The president must verify the account monthly.

4. The association account must be audited annually.

Failure to meet any of the conditions of the policies of insurance will result in a 50 percent reduction of any documented loss.

### **Burglary and Holdup Insurance**

The funds of each chartered association are insured against loss by burglary and holdup as follows:

1. The taking of funds from an association officer or board member, by violence or threat of violence.
2. Funds taken through the forcible entry into the premises or locked receptacle, where the funds are kept by an association officer or board member. There must be visible evidence of forcible entry. An on-site police report is required.
3. Receipts: Not to exceed one week's receipts at any one time, with a limit of \$2,000.
4. Disbursements: Not to exceed an amount of \$10,000 at any one time for a period of seven days.

In the event the league or association fails to deposit the funds in a recognized banking or credit institution in the name of the organization as specified, the insurance company will be liable for only one week's receipts when a loss occurs due to burglary or holdup.

The policies of insurance **DO NOT** cover loss by fire, mysterious disappearance or funds left unattended.

### **Losses and Claims**

Any loss should be reported to USBC Headquarters for guidance within 15 days.

Any attempt to regain funds through an agreement between the principal and offended parties without authorization from USBC Headquarters creates a legal situation which places the association's right of recovery under the bond in jeopardy.

Any officer who misuses the funds of a league, state, or local association shall be subject to suspension from USBC membership. Likewise, the surety company will not extend coverage to any individual who misused funds in the past or has been convicted of a felony.

The president also may be liable for suspension from USBC membership for failing to make the monthly verification.

### **Insurance**

Associations can purchase professional or general liability insurance coverage through USBC Headquarters.

USBC Headquarters, through its master policy, is able to offer a group (discounted) rate which should reduce premiums when compared to like coverage offered by local agents.

**Professional Liability Insurance**

There is no guarantee against lawsuits. To limit your association's exposure to them, it is wise to purchase professional liability insurance. It includes coverage for officers, directors, staff, committee members and any other volunteers acting on the association's behalf. It also covers actual or alleged wrongful acts (i.e., negligence, omissions, breach of duty, etc.) while performing your association duties. Please note that state associations are automatically provided with professional liability insurance coverage under the USBC master policy.

**General Liability Insurance**

General liability insurance covers such things as third party bodily injury, property damage, or personal injury claims. This coverage is especially tailored to protect members participating in an association sponsored league event or tournament play, as well as for other association functions such as board meetings, workshops, or banquets.

**Lane Inspectors Insurance**

Lane inspectors conducting bowling lane inspections at centers on behalf of USBC and local associations are provided coverage against accidental bodily injury. While extensive, this policy is not all encompassing. Those conducting lane inspections are responsible for familiarizing themselves with the terms of the policy and the procedure for filing a claim, should the need arise.

Lane inspector insurance is not purchased. Those qualified individuals, as outlined in the policy, are covered.

Additional information may be found on the Association page of BOWL.com. under Forms and Manuals.

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## Chapter Fifteen: SMART

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- The USBC Scholarship Management Accounting and Reports for Tenpins (SMART) program offers the bowling community a no-cost centralized location for managing bowling scholarship funds.
- USBC offers this program through a separate entity, the SMART Bowling Scholarship Funding Corporation, whose sole purpose is to protect, manage and administer funds to scholarship winners.
- USBC has issued specific guidelines for the use of SMART funds (pg 15 of the USBC SMART Program Manual at [www.bowl.com](http://www.bowl.com)) which allows prospects and enrolled student-athletes to receive these funds without jeopardizing their eligibility at NCAA member institutions
- USBC requires all former and awarded (assigned to a person) future scholarships issued through an association, including those issued for academic or meritorious accomplishments, to be deposited with SMART.
- Scholarship funds must be deposited with SMART within 30 days after the end of the league/tournament/event in which they were earned, including scholarships for academic or meritorious accomplishments.

Benefits of the USBC SMART program include:

1. All youth scholarships that are managed by SMART are held in the name of the organization that provided the scholarship. If the scholarship money is not used by the designee six years after his/her high school graduation date, or if earned after high school, six years from the date of issuance, the scholarship expires. Should the scholarship expire, the scholarship amount is still held in the organization's name and can be reallocated by the organization to a new scholarship recipient.
2. USBC handles all paperwork, management of the account, etc..., once scholarship funds are deposited into the SMART program, thus taking the burden off the organization.
3. The operating expenses of the SMART program are covered by using a portion of the interest from the deposited scholarship funds. After covering these expenses, any remaining interest is distributed to the participating organizations for us as additional scholarship funds.
4. The SMART program offers its services online. It may be access on [www.bowl.com](http://www.bowl.com). The organizations and recipients in the program may view/print up-to-date information concerning their account activities. The online service includes:
  - a. For Organizations:
    - 1) Viewing/printing account information
    - 2) Adding/Changing basic information
    - 3) Submitting recipient information lists
    - 4) Viewing or printing annual statements
  - b. For Recipients:
    - 1) Viewing/printing account information
    - 2) Adding/changing basic information
    - 3) Viewing scholarships earned
    - 4) Viewing scholarship disbursements