



NEWS FROM NATIONAL

FROM: Wynne Smith, Executive Director
 TO: BMW CCA National and Service Officers,
 Chapter Presidents, Newsletter Editors
 DATE: July 26, 2004

MEMBERSHIP STATS as 7/22/2004

	<u>Full</u>	<u>Associate</u>	<u>Total</u>
Current Membership	67,810	8,748	76,558
Last Month's Membership	67,769	8,679	76,448
Monthly Net Gain (Loss)	41	69	110
Monthly % Change	0.06%	0.80%	0.14%
Last Year's Membership	65,378	7,735	73,113
Annual Net Gain (Loss)	2,432	1,013	3,445
Annual % Change	3.72%	13.10%	4.71%
New Members, 06/04	1,134		
Renewals, 06/04	60.9%		
Roundels Mailed	68,680		

RAFFLE 2004

The lucky winners this year were:

Will Turner Newburyport, MA	Mark Dawson Canton, MI	Roy Morrison Melbourne, FL
Gregory Burke Corona, CA	Andrew Lytle New Zealand	Todd Donovan Exton, PA
Robin Moultrie Colleyville, TX	William Pope Whiteville, NC	David Cherry, Jeffersonville, PA
Myron Chwe Tuscaloosa, AL	Hugh Dockerty Alison Park, PA	

Partial cash prize - Brian Smillie Afton, MN

Congratulations to you all!!!

DIRECTORS & OFFICERS LIABILITY INSURANCE

It's finally here. In this package is a copy of the application for Chapter D&O coverage. Another copy is being sent to the Chapter Presidents' homes along with a Fed Ex package to return the original to this office. **Each chapter must fill out the application, sign it and return it.** The cost per chapter will be indicated in the cover letter and is based on chapter size.

Why purchase Directors & Officers (D&O) insurance? Doesn't General Liability insurance cover the chapter board of directors? General Liability insurance provides coverage for "negligent" acts. If an organization, its employees or volunteers (including board members) negligently cause someone "bodily injury, personal injury or property damage" General Liability insurance typically provides coverage.

Directors & Officers provides coverage for "intentional" actions taken by an organization's board of directors or management and someone else thinks these actions are wrong. For example, in employment-related cases, the board affirmatively adopts personnel policies that are intentionally carried out by management. These are intentional, willful actions that may result in some type of damage other than bodily injury.

Do statutes such as the Volunteer Protection Act offer protections in the case of a lawsuit against a board of directors?

Under the Volunteer Protection Act of 1997, to receive any protection, the volunteer must prove in a court of law that he or she:

- was acting within the scope of his or her responsibilities,
- if appropriate or required, was properly licensed or certified,
- did not cause the harm by willful, criminal, or reckless conduct or gross negligence, and
- did not cause the harm by operating a motor vehicle, vessel, aircraft, etc

Key Policy Provisions

While D&O policies are different, there are a few important policy provisions that should be included in any good D&O policy for nonprofit organizations and are included in the policy in place for BMW CCA chapters. These are:

- Broad definition of insured: the definition of insured should extend coverage to any person who was, is or becomes a director, trustee, officer, employee, committee member or volunteer of the nonprofit, and importantly, the nonprofit organization itself.
- Requirement to advance defense costs: Nonprofits usually cannot afford to advance the costs of their defense and then wait for the insurance company to reimburse them after the claim is settled. Typically, insurance policies for nonprofits should provide that the insurer will pay for the costs of the defense and indemnity as those costs are incurred.

The BMW CCA National Board has determined that it is imperative for chapters to avail themselves of this coverage. In order to make the costs for coverage as palatable as possible, the National Office will deduct the premiums from chapter rebates on a monthly or quarterly basis – based on instruction from the Chapter.

Sometimes the underwriting departments at insurance companies cause considerable frustration by acting like the Bermuda Triangle. Lots of stuff goes in, but precious little comes out. The information that insurance companies require for underwriting D&O insurance varies considerably. We consider the following information to be essential to be able to underwrite D&O insurance for nonprofits. Other insurance companies may require more or less information, but those items listed below are common to many of them.

- Completed application signed by a board member;
- Up-to-date bylaws or articles;
- List of board members and work affiliations.
- Most recent 990.

If the chapter's receipts are under \$25,000 there is no need to submit the 990.

The packages will go out this week. Please make every effort to fill out the form, enclose your chapter's bylaws, list of board members and work affiliations as well as the most recently filed 990 (where applicable) and get it back to National within two weeks.

BMW CCA RISK MANAGEMENT CHANGES

It is with personal regret but warm wishes that I announce that Al Buchanan, our Risk Manager and Legal Counsel will be stepping down at the end of this month. Al has provided us with 2 1/2 years of devoted service but due to an incredibly increased demand for his time in his law practice he can no longer devote the time and effort to his volunteer activities.

Al's attention to detail, while keeping the broader picture in mind, has been invaluable. His willingness to put in extra time and effort to help us meet deadlines has demonstrated a commitment to excellence that we have come to depend upon. I personally owe him a debt of gratitude for all the times he has helped to keep me on track, on time, and within our budget. In addition to Al's incredible competence and skill, he has been a friend to all and will be a sorely missed resource.

Please join me in showing Al our tremendous appreciation by telling him "thank you for a job well done!" by posting to the DEC or Presidents' digests.

RFP for WEB DESIGN

We are in the process of updating and integrating the club's website with the database. We will be bringing the day-to-day upkeep and maintenance in-house but recognizing our limitations have sought assistance with the design of the site. A Request for Proposal was posted to the current website and solicitations sent to interested companies. We have received more than 15 proposals. All proposals received are under review. We expect to make a decision no later than August 15.

TECHFEST MIDWEST

Thanks to the Hoosier Chapter of the BMW CCA for accepting the torch and hosting next year's TechFest. The weekend has not been pinned down yet, but will likely be in March. The top 3 choices for dates are March 10-13, March 17-20 (The March 17-20 weekend is the same as the 12 Hours of Sebring so this may get ruled out), and March 31-April 3. With the Hoosiers at the helm this event is sure to be an excellent continuation of the TechFest tradition.

Stay tuned.

UPDATED INCIDENT REPORTING FORM

Enclosed (once more) with this report is the newly approved Driving Event Incident Reporting form. Please toss the old ones out and begin using this henceforth. It is available in the **Files** section of the Presidents and Driving Events digests, and I am happy to email it to anyone who asks. This form was developed by the Driving Events Committee and approved by the Risk Management Committee and the BMW CCA National Board. Since last month when we first provided the updated document we continue to receive reports on the outdated form. PLEASE – begin using this form henceforth. Your cooperation is very much appreciated.

RE-CHARTERING CHAPTERS

Many of the chapter files at National do not contain original charter documents for the chapters, and many, if not most chapters do not possess a charter document. So that we have a common and current chartering baseline and documents on file to support all our chapters' existence, we will re-issue charters to our chapters. These will not be new charters, but rather, replacements. Scott Blazey will draft the charter certificates and cover letters. These will be sent to each chapter along with the most current BMW CCA bylaws. Each chapter will be asked to acknowledge receipt of the charter and provide BMW CCA with the most recent version of their bylaws.

BMW EMISSIONS TESTING

We've had calls from several members who have received letters from BMW asking them to participate in an emissions testing program.

BMW Engineering has asked California Environmental Engineering (CEE) of Santa Ana, California to find a number of volunteers to submit their BMWs for a technical vehicle evaluation program. Letters have been sent to BMW CCA members in Michigan and in California - if you received a letter from Douglas McGregor, Emissions Compliance Engineer – it is kosher. BMW offers several incentives for participation, including a free loaner car, as outlined in the letter CEE might be sending you.

Participation is completely voluntary. Whether or not you decide to participate, BMW and CEE would appreciate return of the enclosed pre-stamped reply card that is included in the letter, with all requested information. CEE representatives should be able to answer all of your questions. If you have received such a letter and you wish to learn still more about this program and other such activities at BMW, please feel free to call them at (800) 831-1117.

MINUTES of the June, 2004 MEETING OF THE NATIONAL BOARD

Enclosed are the minutes of the last Board Meeting held at Mt. Tremblant. Minutes with Board Member's reports are also available on the www.bmwcca.org website.

The next Meeting of the National Board will be held in Kansas City, MO, October 15-17,2004. . If there are topics you'd like your Regional Vice President to present, please contact him to make sure your topic appears on the agenda. As always, those of you wishing to observe the open sessions of any board meeting are welcome to do so. Please call the national office 864 250-0022 to let us know you'd like to attend, or send me an email: wynne_smith@roundel.org.

A Senior Leaders Conference is scheduled for November 19-21, 2004 to produce a challenging and exciting new strategy that will reflect the goals of the membership, individual board members and senior staff, and allow the club's leaders to develop long-term goals to bring the club's Vision to fruition.

ELECTIONS

Positions open are: Treasurer, Secretary, South Atlantic Regional Vice President, North Central Regional Vice President and Pacific Regional V.P.

Candidates must be nominated by a member who has been a member for at least six months prior (the nomination must include the BMW CCA membership number of the nominating person) and the candidate's acceptance of the nomination should be countersigned on the same page (including the candidate's own membership number). Nominees for Regional Offices, and those nominating them, must reside and be a chapter member in the specific region.

The BMW CCA National Board represents the BMW CCA membership and as a group is tasked with soliciting and employing up-to-date information and best business practices in carrying out their responsibilities with integrity, honesty, truthfulness and adherence to the absolute obligation of safeguarding the members' trust. They make sense of new information about the club as it may affect the organization and demonstrate concern for the interests and well being of individuals affected by their actions. They can and must monitor the Vision for the club and determine when it needs to change. They can and must be the ones to discuss whether the current Mission is the best way for their organization to work towards the organization's Vision. They always put their altruistic mission above personal gain. Very few members recognize the degree of responsibility our National Board members bear, and the hours and hours of hard work they donate to the club.

If you're not afraid of more responsibility and plenty of challenge – roll your sleeves up and get your nomination, photo and statement in to us. Nominations should include a candidacy statement of **no more than 300 words** and an appropriate photograph of the candidate. Those wishing to help in refining the CCA's strategic framework: its values, vision, mission and broad goals; those wishing to help formulate and refine policies that govern our practices should send their nominations, acceptances, candidacy statements and photographs to be received at the National Office **before 5 PM EST October 29, 2004.**

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best regards,