

## COMPLIANCE MODIFIERS

A Compliance Modifier is an additional charge of money added to a lodge's assessment as a penalty for failure to observe compliance requirements of the Risk Management Department. Lodges failing to comply with the required submission of the Lodge Safety Inspection Form and/or failing to comply with the requirement to purchase Hall Rental Insurance will have Compliance Modifiers added to their Risk Pool General Liability Assessment effective May 1<sup>st</sup>. This will have the effect of increasing the non-compliant Lodges' Risk Pool General Liability Assessment.

Currently, the Lodge Safety Inspection Form is to be submitted twice a year and is due on October 1<sup>st</sup> and April 1<sup>st</sup>. The failure to timely submit this form by either due date will result in a Compliance Modifier of 5% per due date being added to your Risk Pool General Liability Assessment at the start of the next policy year.

Failure to purchase the required Hall Rental Insurance during any policy year may result in having a Compliance Modifier of 5% added to your Risk Pool General Liability Assessment effective at the start of the next policy year.

If a Lodge fails to timely submit the Lodge Safety Inspection Form and fails to purchase Hall Rental insurance, it is possible the Lodge will have up to three Compliance Modifiers added to its Risk Pool General Liability Assessment at the start of the next policy year.

These Compliance Modifiers are being added to reflect the potential increased risk posed by those Lodges not performing regular safety inspections of their property and by Lodges failing to purchase the Hall Rental Insurance.

If you have any questions regarding how the Compliance Modifiers may affect your Risk Pool General Liability Assessment, please contact Cynthia Traynor, Senior Staff Attorney, Risk Management at 630-859-6619.