



CAPSTONE | RISK MANAGEMENT  
INSURANCE

# USAOCR

Introduction to Obstacle Course Event Insurance

# CONTENTS

- What is event insurance?
- Why do I need it?
- Types of policies
- What does it cover?
- What isn't covered? (exclusions)
- Claim examples
- Not all brokers and companies are the same?
- How to purchase thru USAOCR?

# WHAT IS EVENT INSURANCE?

- Insurance is a way to manage losses without putting a company out of business. It involves a group of people or businesses sharing risk among themselves. If something does happen, no one loses everything. Instead, each stands to lose only a fractional portion.
- When you purchase insurance, you join many others sharing similar risk characteristics (i.e. other event promoters) who each pay money to an insurance company. The insurance company then uses the money collected in order to pay claims that are submitted by those who have purchased insurance. The money is "pooled" and losses and expenses are shared.



## WHY DO I NEED IT?

- It is virtually impossible to stage an event without insurance. Locations, permits, vendors, sponsors will all require that you provide evidence of your insurance.
- It can pay for medical bills from injured participants
- It can pay for medical bills from injured volunteers
- It will respond and defend you against a claim from an injured spectator or participant
- It will respond and defend you against other lawsuits



# TYPES OF POLICIES

- **Commercial General Liability** – responds to claims and lawsuits by a spectator, participant, or third party that alleges bodily injury or property damage as a result of negligence by the event promoter. The policy provides an attorney for legal defense and will pay up to the policy limits in the event of settlement or adverse jury verdict. This is the coverage that you need to provide evidence of when required/requested by a location, city, vendor, etc. and usually along with Additional Insured provision.
- **Accident Medical Coverage** – pays for the medical bills of injured participants and volunteers. It is intended to minimize the threat of a lawsuit being filed. This policy is also a requirement of your General Liability policy provider when providing participant liability.
- **Miscellaneous Equipment** – both owned and rented equipment
- **Hired & Non-Owned Automobile** – rented or borrowed vehicles
- **Workers Compensation** – required for employees and possibly others
- **Umbrella/Excess Liability** – higher limits required for a permit or sponsor



# WHAT ISN'T COVERED?

- Every insurance policy has certain exclusions that are listed in the policy. For example, a standard Commercial General Liability policy excludes, but not limited to: Intentional injury, Pollution liability, Employment-related liability, Commercial Auto, Watercraft or Aircraft liability(including drones), Professional Liability, Unlawful Acts by the insured; Liquor Liability, Civil Rights violations; Sexual Abuse & Molestation, Assault & Battery, Libel or Slander; Infringement of Intellectual rights such as copyright and patent; Media, publishing and broadcasting related offenses
- Other event exclusions may include, but not limited to inflatables, trampolines, swimming, fire or electrical obstacles, pyrotechnics and fireworks, animals, paint ball, bungee jumping
- Certain exclusions can be covered under separate policies such Auto, Watercraft, Aircraft, Copyright Infringement, Media related exposures.
- Certain exclusions may be removed for an additional cost such as Liquor Liability, Sexual Abuse & Molestation, Hired/Non-Owned Auto Liability



# CLAIM EXAMPLES

## ▪ **Spectator/bystanders:**

- A slip, trip or fall around due to hazards such as holes, slippery surfaces, or uneven surfaces.
- A slip, trip or fall off bleachers.
- Contact with a defective or improperly positioned barrier.

## ▪ **Participants:**

- Injury due to improper layout and design of the event course.
- Improper decision to hold event under inclement weather conditions.
- Injury due to lack of emergency planning and coordination with local medical care providers and ambulance services.
- Injury due to failure to warn participants of the dangers inherent in sports participation (Waiver/Release Form)



# NOT ALL BROKERS AND COMPANIES ARE THE SAME

- Use a sports specialist
- Tap into group purchasing power
- Make sure your certificate and other service needs will be managed efficiently
- Make sure there is a clearly defined claims filing process
- Make sure the company has an adequate financial rating and credit worthiness
- Know the difference between Admitted and Non-admitted insurance companies





# HOW MUCH DOES EVENT INSURANCE COST?

- It depends on several factors
- Key factors that influence cost:
  - Policy limits
  - Number of participants
  - Duration of event
  - Minimum premiums
  - Special coverage endorsements
  - Prior claims



MAKE SURE YOUR EVENT IS PROPERLY COVERED



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