



Sportsplex General Liability Concerns

(John M. Sadler, 3-17-06)

Overview

Sportsplex owners and operators face unique issues in the purchasing of their General Liability policy. Purchasing General Liability insurance for any sports organization can be challenging due to the limited number of quality insurance carriers; however, the available marketplace for sportsplexes is even more limited. While quality insurance carriers are readily available to write General Liability for teams/leagues/camps/individual sports instruction, there are probably less than five insurance carriers that will consider writing a sportsplex on an acceptable policy form.

Coverage can be even more difficult to obtain for the "start up" sportsplex in a newly designed facility or if the management has less than three years of experience in operating a sportsplex. The insurance carriers believe that a newly designed facility has not had adequate time to uncover all of the unforeseen perils due to design issues that could unexpectedly lead to spectator or player injuries.

Unfortunately, sportsplexes are much more complicated to insure as compared to teams/leagues/camps/individual sports instructors. The typical sportsplex has the following exposures to liability:

TEAMS/LEAGUES: includes both the actual managing of teams/leagues by the sportsplex and the leasing of facilities to other teams/league that manage their own operations. In cases where the facilities are leased to other teams/leagues, proof of adequate Accident and General Liability insurance must be obtained. Waiver/release forms must be required on behalf of all participants whether managed by the sportsplex or by a team/league that is leasing the facilities.

CAMPS/CLINICS/INDIVIDUAL SPORTS INSTRUCTORS: includes both the actual managing of camps/clinics/individual sports instructors and the leasing of facilities to other organizations to conduct these activities. In cases where the facilities are leased to other camps/clinics/individual sports instructors, proof of adequate Accident and General Liability insurance must be obtained. Waiver/release forms must be required on behalf of all participants whether managed by the sportsplex or by the camps/clinics/individual sports instructors that are leasing the facilities.

SPECIAL EVENTS: includes birthday parties, sleepovers, company social outings, etc. Waiver/release forms should be required.

DROP INS FROM PUBLIC: members of the public pay drop in fees to participate in sports and recreation activities for a single day. Waiver/release forms should be required.

SALES OF PRODUCTS: includes sales of food, drinks, alcoholic beverages, sporting goods, clothes, etc.

24 HOUR PREMISES EXPOSURE: since sportsplexes own their facilities or are under a long term lease, they are responsible for injuries that occur after hours and during the off season (if any).

General Liability Basics

The standard General Liability policy form pays covered claims alleging "bodily injury", "property damage", and "personal/advertising injury" caused by an "occurrence" and not subject to the standard policy exclusions or any non standard policy exclusions that may have been added by special

