

## Sportsplex General Liability Concerns

endorsement. The typical types of claims filed against sportsplexes include spectator slip/trip/fall injuries and injuries to sports participants.

A General Liability policy should have the following basic limits:

Each Occurrence:	\$1,000,000
General Aggregate:	\$2,000,000 (preferable to be reinstated per event)
Products/Completed Operations Aggregate:	\$2,000,000
Personal/Advertising Injury:	\$1,000,000
Damage To Premises Of Others:	\$ 300,000
Premises Medical Expense Payments:	\$ 5,000 (usually does not apply to athletic participants)

### OCCURRENCE VS. CLAIMS MADE

A sportsplex should always buy an "occurrence" policy form instead of a "claims made" policy form. The superior "occurrence" policy form pays covered claims as long as the policy is in force when the injury occurs. It does not matter if the policy is subsequently cancelled and a claim is later filed. On the other hand, the inferior "claims made" policy form pays covered claims only if: 1) the policy is in force when the injury occurs and 2) the same policy or renewal of the same policy is in effect when the claim is filed (unless the Extended Reporting Period provision is activated). A "claims made" policy is risky for a sports organization such as a sportsplex because a sports participant who is a minor can wait until the age of majority (usually 18 in most states) plus an additional two years for the statute of limitations to run before filing a lawsuit. In some cases, this could be a period of 15 years. "Claims made" policy forms provide too many opportunities for problems to arise if a new carrier is selected upon renewal or if the policy is non renewed or cancelled due to non payment of premium.

### Special Considerations for Sportsplexes

**WARRANTY OF ACCIDENT INSURANCE:** Most General Liability carriers that insure sportsplexes will require that Excess Accident insurance be carried on all participants (both by the programs run by the sportsplex and by other sports organizations that lease the facility); otherwise, the General Liability coverage may be voided. The reason for this requirement is because Accident insurance acts like a first line of defense to protect the General Liability carrier from paying a claim. If the Excess Accident policy guarantees that the injured participant (or parent) will not have to incur out of pocket medical bills, this takes away much of the incentive to file a lawsuit. Most General Liability carriers require the Excess Accident limit to be at least \$25,000. However, there are some General Liability carriers that do not require that Accident insurance be carried. This can result in savings on the front end to the sportsplex but such savings will not be realized in the long term if a resulting lawsuit (that could have been prevented by carrying Accident insurance) causes a significant increase in General Liability renewal pricing or if a renewal can't be obtained at any price.

**WARRANTY OF WAIVER/RELEASE:** most General Liability carriers that insure sportsplexes require that an approved waiver/release form be signed by all participants (and parents in the event the participant is a minor); otherwise, coverage may be voided in the event of injury to a participant.

### Exclusions To Avoid

**ATHLETIC PARTICIPANT EXCLUSION:** This exclusion takes away "bodily injury" and "property damage" liability coverages in the event that an injured athletic participant files a lawsuit. The definition of "participant" varies from one carrier to the next but generally includes the players as well as any other persons that are granted access to restricted areas that are not normally open to the public. The bottom line is that this exclusion is totally unacceptable because these types of lawsuits.

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