

Sportsplex General Liability Concerns

represent a large percentage of those that are likely to be incurred by a sportsplex. Without this coverage, the only remaining coverage of consequence is that for lawsuits arising out of injuries to spectators. Please note that coverage for lawsuits arising out of injuries to participants is available under the policy unless the "Athletic Participant Exclusion" is found on the policy. However, some insurance companies like to affirmatively show that this coverage exists by calling it "participant Legal Liability".

PLAYER VERSUS PLAYER EXCLUSION: This exclusion acts exactly as its name indicates by taking away coverage in the event that one player is sued by another player resulting from an injury. This exclusion first arose out of the context of professional sports to preclude coverage for a player who maliciously and intentionally injured another player during a competition. For some unknown reason, this exclusion has now found its way into amateur sports General Liability policies. Most of the carriers that use this exclusion clarify that it does not apply to preclude coverage for the sports organization and its directors, officers, employees and volunteers in the event that they are also "shot gunned" into a lawsuit where one player injures another player. This clarification takes most of the sting out of this exclusion.

ABUSE & MOLESTATION EXCLUSION: This exclusion has become increasingly popular over the past ten years on sports General Liability policies. It is important to note that this exclusion goes beyond the mere context of sexual molestation and includes other forms of child abuse including physical, mental, and emotional abuse. Some insurance carriers will allow a "buy back" for this coverage if the sportsplex has a risk management plan in force to minimize the chances of an incident. Such a risk management plan can be found on our website as follows: go to www.sadlersports.com and click on "teams/leagues" and then click on "Risk Management". As a general rule, not only is the alleged abuser likely to be sued, but also the sportsplex and its directors and officers are usually sued for failure to screen the volunteer or for failure to appropriately respond to an allegation of abuse. In other words, the personal assets of the directors and officers can be on the "chopping block".

PUNITIVE DAMAGES EXCLUSION: Many General Liability policies contain an exclusion for that part of the total damages that are attributable to punitive damages. Punitive damages are damages that are meant to make an example out of the wrongdoer by adding extra punishment over and above the normal damages. The better insurance carriers that write sports liability coverages do not have this exclusion unless it is required by particular state law.

CONTRACTUAL LIABILITY LIMITATION: "Contractual Liability" is a component coverage of a General Liability policy that provides protection in the event that the sportsplex enters into a contract containing a hold harmless or an indemnification provision whereby it assumes the liability that would normally belong to the other party. Any exclusion which limits or takes this coverage away is unacceptable to a sportsplex that may enter into contracts (ex: leases) with these types of hold harmless/indemnification provisions.

Coverages To Add To General Liability

LIQUOR LIABILITY: Sportsplexes that sell alcoholic beverages should either endorse the General Liability policy to add Liquor Legal Liability or a stand alone policy should be purchased. Sportsplexes that contract out the serving of alcoholic beverages to a vendor should consider purchasing a Contingent Liquor Liability policy.

NON OWNED-HIRED AUTO LIABILITY: If the sportsplex does not carry a separate Business Auto policy, the General Liability policy can be endorsed to add Non Owned-Hired Auto Liability. This coverage will protect the sportsplex in the event that it is sued as a result of the use of a vehicle

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