

SPIAO 2017

User Group Insurance Programs

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Facility Owner Areas of Risk

- Building / Land
- Activities
 - By You
 - By Others



Building / Land Risk

- Understood
- Identifiable
- Planned
- Managed

By You



Own Activity Risk

- ❑ Understood Activity & Risk
- ❑ Your Responsibility
- ❑ Your Risk
- ❑ Your Insurance



External User Activity Risk

- ❑ Not within your control
- ❑ Who are they?
- ❑ Do they have policies & procedures, certification / training, supervision?
- ❑ Do they have insurance?

Joint & Several Provisions of the Negligence Act

- “Also known as the 1% rule, the joint and several provisions may oblige a defendant, which is only 1% at fault, to pay the plaintiff’s entire judgment particularly in cases where the other defendant is unable to meet a court ordered award.”

---Draft -The Case for Joint and Several Liability Reform in Ontario –Sept 21, 2009 -Association of Municipalities of Ontario



External Users Without Insurance

- Facility owner may be the only party to a suit with the ability to pay
- Need to transfer the risk!
 - User Group Program



User Group Program

- ❑ Program used by facility owners to ensure users have liability insurance
- ❑ Effective & simple risk management tool
- ❑ Municipalities, school boards and conservation authorities, religious organizations, private sport facilities
- ❑ We have 75+ such programs across Ontario



User Group Program

- Benefits To Facility Owner

- ❑ Transfer risk due to External Users
- ❑ Prevent user losses from affecting your insurance
- ❑ Additional Insured status
- ❑ Additional income stream through rentals without increasing risk
- ❑ Easily fits within your permit process



User Group Program


- Benefits To External Users

- ❑ Quick, one-stop shopping (permit & insurance)
- ❑ Inexpensive
- ❑ Liability protection
- ❑ Purchase only if needed ie. those that already have insurance do not purchase



Characteristics of A Solid User Group Program

- ❑ Broad insurable activities
- ❑ Liability limit meets your needs
- ❑ Insured: Group + Members (participants)
- ❑ Includes Participant to Participant Liability
- ❑ Reasonably priced



User Group - Coverage

- Commercial General Liability
 - Bodily or property damage to others
 - While using your facility
 - Permitted time and activity
 - \$1,000,000 - \$5,000,000 limit (program limit determined by facility owner)
 - \$500 deductible
 - Facility added as Additional Insured
 - Participant to participant coverage



What is Covered?

- Activities of the Insured (the external user group)
 - The insured will be defended
 - Additional Insured will also be defended
 - Example: a soccer group is having a game. A player suffers a broken arm during the game and sues both the soccer group and the facility owner for negligence.



What is not Covered?

- The facility owner will not be defended if the incident results from the negligence of the facility owner
 - Example: winter day and a soccer player slips and falls in the parking lot on the way into the building – facility had not plowed, salted or sanded the parking lot.



External User Losses

- Frequency & cost steadily increasing over past few years
- Examples:
 - Four year old slipped on wet floor, hitting head
 - Claimant suffered third degree burns – hot chocolate being served by volunteer group
 - Claimant slipped on lima bean at wedding function
 - Claimant slipped over tent peg, did not spill beer therefore did not break fall



□ Examples – cont'd –

- Claimant tripped over lighting tripod (erected by user group) and fractured her shoulder
- Claimant tripped over rope strung between two cars



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