



## FREQUENTLY ASKED QUESTIONS

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### Facility Rental User Insurance

#### **Who should I ask to give me a full explanation of the coverage under this Facility User Insurance Policy?**

The following are commonly asked questions; however, you should discuss coverage with the INSURANCE BROKER assigned to this program. The Broker can provide a complete explanation of the coverage and exclusions under this insurance program.

#### **Why is this Facility User Insurance program being introduced?**

It is commonly a mandatory requirement by municipalities and facility operators/owners that all rental users provide proof of specific amounts of liability insurance coverage when renting a facility. Obtaining liability insurance can be time consuming and expensive. This program is designed to provide an affordable and simpler process to secure your insurance coverage. However, users are welcome to arrange their own coverage and have proof of that coverage filed for the event on the mandatory insurance certificate form.

#### **What is Liability Insurance?**

Liability insurance is designed to protect an individual or organization against legal responsibility arising out of a negligent act or failure to act as a prudent person would have acted which results in bodily injury or property damage to another party. Any individual involved in your activity or a spectator can claim against you for damages as a result of any bodily injury or damage to their property. Liability insurance is designed to protect against the expense of defending a third-party legal action, as well as the court award or settlement if you are found negligent.

#### **Why Liability Insurance?**

Accidents happen no matter how careful you are. As the host or organizer of an event or sporting activity, you can be sued by anyone who claims to have been injured or suffered property damage resulting from your activities. You may not be responsible (liable) but you will need to be defended in court. A Liability policy pays for this defence, as well as compensatory damages. In short, transferring your risk to a liability insurance policy provides you the opportunity to run your activity with peace of mind.

#### **What is the insurance coverage that is provided under the Facility Rental User Insurance Program?**

Coverage is for Liability Insurance protection, which will provide a legal defence and settlement if your organization, its directors, officers, employees, officials, members, and volunteers are accused of a "covered negligent act" which has caused a Third Party a "bodily injury or damaged to their property". It pays for the defence (legal fees & investigations) and compensatory damages should all or part of the responsibility for the injury or property damage rest with the facility renter.



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### **Does my homeowner's insurance policy protect me?**

It may or may not protect you. This must be discussed with your insurance representative who holds this insurance policy for you as coverage can vary between insurers. If it does cover you, then your homeowner's insurance company must issue the mandatory insurance certificate form required by the municipality and/or property owner. This form is available on their website. We recommend you fully discuss the pros and cons of adding coverage to your homeowner's policy with your insurance representative.

### **I belong to an 'Association'; do I already have liability insurance coverage?**

You may or may not, ask the insurance broker or agent who provides coverage to your association. If you are covered, they should be able to complete the "Mandatory Required Certificate of Insurance Coverage Form" showing the facility owner and/or operator as an "Additional Insured". The majority of large Provincial or National organizations have the proper coverage in place. However, other policies often do not have proper coverage and the mandatory certificate will identify coverage your own insurance is missing, allowing you to get it corrected.

### **The 'Association' I belong to already has liability insurance coverage, but the certificate has been rejected as proof of insurance coverage?**

If the insurance of your Association is not accepted, it most likely would be for the following reasons;

- A. The broker or agent has not submitted proof of your Association's coverage on the required form.
- B. Your Association does not have the required limits of coverage.
- C. Your Association does not have the proper protection for the activity or event you are running.

The majority of these issues can be easily solved by having the Association's broker contact the Insurance Broker assigned to this Facility User Program policy.

### **What Insurance Limits am I insured for under the Facility User Program?**

Limits vary depending on the activity. Under this Liability Insurance Program most events are covered for \$2,000,000; however, sporting activities and those events that are deemed to be of a higher risk are covered with a \$5,000,000 limit.

### **What is my deductible / self-insured retention under the Facility User Insurance Program?**

The self-insured retention under the Facility User Liability Insurance program for Bodily Injury, Property Damage and Defense costs is \$1,500.

### **What is the definition of a Vendor?**

A "Vendor" is any individual, partnership, and/or corporation (For-Profit and Not-For-Profit) who provides either a product, service, appearance, or presence before, during, or after your event, regardless of the dollar value. It includes those serving food, serving liquor, selling products, demonstrating product, performing, providing equipment, providing security service, giving out information, etc.



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### **Does the insurance coverage provide coverage for Vendors?**

If you have purchased “Blanket Vendor” coverage, the policy extends to cover claims for bodily injury or property damage caused by the Vendor. If you have not purchased this coverage, the policy will only defend your negligence, not the Vendor.

### **Does the coverage provided under the Facility User Program provide property coverage to our own or leased property?**

**NO**, this policy provides liability coverage if you are negligent in damaging Third Party's property. Your own or leased equipment and contents needs to be insured separately.

### **Can I purchase additional coverage under the program for our own or leased property used for our event?**

**NO**, additional property coverage is not offered under this program. However, at your sole discretion and cost, you can arrange a separate policy with the broker of your choice.

### **Does the coverage provided under this program provide payments for loss of wages or out-of-pocket medical expenses (Accident Protection) when someone is injured at my event?**

**NO**, this is not an Accident policy which is designed to pay these expenses without a legal action being brought against you. In the event the individual sues for negligence claiming you or your organizations' negligent act caused the bodily injury, the defense of the action and any settlements fall under liability protection. However, a letter of intent or a legal action must be brought for coverage to be triggered.

### **Can I purchase additional coverage under the program for Accident coverage for those injured during or at my event when we are not negligent?**

**NO**, additional Accidental Death and Dismemberment (AD&D) coverage is not offered under this program. However, at your sole discretion and cost, you can arrange a separate policy with the broker of your choice.

### **Can I purchase additional coverage from the insurance broker administering the facility user insurance program?**

**YES**, you are welcome to arrange additional coverage for Property and Accident coverage with the broker assigned to this policy. However, Instant Risk Coverage Inc. is not a broker, we consider these arrangements separate and independent of this program, and in no way should this be considered an endorsement, nor can we be held responsible for the coverage arranged by the broker.

### **If I sell alcohol and someone is injured or causes any injury, am I covered?**

Yes. If you purchase the appropriate liability coverage for an alcohol related event, you are protected up to the policy limit.



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### **Does the policy cover spectators should they suffer an injury, or their property becomes damaged during my event?**

Yes, the insurance policy will cover legal action brought by a spectator because they have suffered a bodily injury or damage to their property. The policy will provide the legal defence, as well as the settlement or court award if you are found to be fully or partially negligent for the spectators' injury or property damage.

### **Does the Facility User Insurance Program insure automobiles?**

The coverage under the liability protection is for "Non-owned Automobile", which provides for two types of protection.

- A.** Coverage for "Short Term Rentals (under 30 days)" for licensed automobiles used in connection with your event. However, there are restrictions under this coverage, such as the rental agreement must be in the name of whom the rental agreement is with; and physical damage is limited to \$50,000 per vehicle. Check the limit on the policy to make sure. It should be noted that under the Insurance Act, some monetary exchange must happen between the parties for this coverage to effect.
- B.** Coverage for your volunteers and/or employees who use their own licensed vehicles for business related to the event, should their own insurance company look for recovery or they are sued for more than their own automobile policy liability limit.

### **Can other "Additional Insureds" be added to the policy and provided on the certificate of insurance under this program?**

**YES**, when completing the information process through the Link, it will allow you to add other "Additional Insureds" which will automatically appear on the certificate of insurance. Please note that you must enter their legal name and full address under this section for the certificate to issue the documentation correctly.

### **Does this policy extend to other events or locations, besides the subject permit rental, outside of the municipality or main facility I am renting?**

**NO**, this policy is designed to protect you for permitted events for the owner and/or operator of these properties only. If you have this outside exposure, then you should be purchasing separate coverage for activities taking place outside of the facilities this insurance program is designated for. We recommend you speak with an insurance broker of your choice to arrange separate insurance.

### **Can I purchase higher liability insurance limits through the Facility User Insurance Program?**

**NO**, the limits of coverage provided through this program cannot be increased per event unless stipulated on the rate sheet. However, the permit holder is welcome to arrange their own insurance coverage or additional excess coverage with the broker of their choice or independently through the broker on file for this program.



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**If the majority of the event is on Municipal permitted rental space and other parts of the event are in the same municipality, but not specific to the rental space.**

**Can the whole event be covered under the Facility User Insurance Program?**

In some cases, special arrangements can be made to cover non-permitted locations if they are a minor part of the permit rental event. However, this would require special arrangements and the involvement of the broker associated with this program to obtain the Insurer's permission and organize a special rider specific to the event. It should be kept in mind that there is no guarantee that the additional exposure will be accepted, and the process seeking underwriting approval can take up to two weeks.

**What if the cost of my defence and the legal award found by the courts is greater than the liability limit I had through the Facility User Program?**

Any amount over the liability limit purchased is the organization or event organizer's responsibility. The coverage offered under the Facility User Insurance Program is for \$2,000,000 or \$5,000,000 depending on the type of activity or event. These limits are requirements by either the municipality and/or the owner or operator of the facility being rented, but in no way reflect a recommendation on the limit of coverage. It is up to the organization or individual whom has the intimate knowledge of the risks associated with their event or activity to decide the limit of insurance coverage necessary to protect them.

**What is my responsibility when I have a claim or incident that could lead to a claim?**

Report the incident, within twenty-four (24) hours or sooner, to the municipality or the facility owner/manager and file the required documentation. Failure to report an incident that leads to a claim could result in coverage being denied by the insurance company. Attached is a claim form that should be completed and filed with the insurance company.

**What is considered an incident that should be reported?**

It is better to report incidents when you can collect information on who witnessed the event, and the facts are fresh in your mind. Typical incidents would be if someone's property was damaged, or there was an injury that required immediate medical attention. However, we recommend that if you are in doubt, report the incident by completing the claim form. The self-insured retention of \$1,500 will only be requested when the Insurer starts to incur costs for investigation, defense, etc. Therefore, there is no harm in assuring you have filed a potential claim with the insurance company should no third-party demands come from the incident within the statute of limitations.

**When am I responsible for the \$1,500 self-insured retention / deductible on a claim?**

The insurance company can request your portion of the claim as soon as they incur costs for investigation, defense, or settlement. They usually will request this when they have incurred the first \$1,500 of costs.



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### **What documentation must be filed when I have an incident that could lead to a claim?**

The 8 step claim process should be followed when an incident during your event could lead to an insurance claim:

1. Never admit liability or responsibility as this could prejudice your insurance company's ability to provide a viable defence.
2. Report the incident, within twenty-four (24) hours or sooner, to the municipality's Risk Management Division.
3. Complete the incident reporting form.
4. Collect any witness statements; include their name, address, and phone number in order for the insurance company to investigate the claim further.
5. Cooperate fully with the insurance company by providing them any information or answering any questions they may have.
6. If you are served with a "statements of claim" or notice of intent to file a statement of claim, forward this immediately to the insurance company well before the 21 day required defense period.
7. Assist the insurance company as requested in providing sworn statements that will be used in the defense of the action and assist them in your defence.
8. Provide any additional information to the insurance company you may have that will help in the defense of the claim against you.

### **What happens if a volunteer, participant, or a spectator does not threaten to sue, but presents bills for medical expenses or damaged property caused at our event or activity?**

This constitutes an incident that could lead to a claim. Follow the 8 step process as soon as possible and provide as much information as you can to the insurance company. The insurer will investigate the claim and will a) either file the facts should a legal action arise in the future; or b) offer a settlement to avoid the potential of a legal action. The decision will depend on the facts and severity of the bodily injury or property damage.

### **What happens if a claim is not reported immediately or the 8 step process is not followed?**

As with all insurance policies, it is the responsibility of the Insured to make the Insurance Company aware of a loss or the possibility of a loss and assist in the defence of a claim. In the event a claim is not reported or reported late, the Insurance Company will investigate the cause of the delay and if the delay prejudices their position to defend an action. After this investigation, the Insurance Company will make a decision on if they intend to respond or if they will respond and reserve their rights later to decline. It is always best to not be in this position, therefore make sure all those assisting with your event or activity understand the importance of reporting an incident.



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### **What happens if we refuse to cooperate with the Insurance Company because we do not agree with the way they are handling the claim?**

Coverage can be refused. It is the responsibility of the Insured to cooperate with the Insurance Company defending and/or settling a claim. After all it is the Insurance Company's money paying the defence and claim settlement. The statutory conditions under the Insurance Act allow insurers to decline coverage if the insured individual, organization, or event refuse to assist and/or cooperate in the investigation and defence of a liability claim.

### **If I require further information or have questions with regards to coverage, who do I contact?**

Contact the insurance broker who is assigned to this policy and identified within the facility user insurance website.