

## Facility User Liability Insurance FAQ

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

Most facilities you rent mandate that all rental users must provide proof of specific amounts of liability insurance coverage when booking a facility. Obtaining liability insurance can be time consuming and expensive; this program is designed to provide a much more affordable and easier option to purchase the insurance coverage required.

### **What is Liability insurance?**

Liability insurance is designed to protect an individual or organization against any 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 can claim against you for damages as a result of any injury. 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?**

Because no matter how careful you are, accidents happen. 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 defense 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 defense 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 damage to their property. It pays for the defense (legal fees & investigations) and compensatory damages should all or part of the responsibility for the injury or property damage rest with the facility renter.

### **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, see "What if I have the Required Insurance/Insurance Certificate", naming the facility owner and/or municipality as an Additional Insured. Ensure you fully discuss the pros and cons of this 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 who provides coverage to your association. If you are covered they should be able to complete the "Required Certificate of Insurance Coverage Form" showing the facility owner or municipality as an "Additional Insured". The majority of large Provincial or National organizations have the proper coverage in place. However, when their coverage falls short, this program is a viable option to most renters.

### **The 'Association' I belong to already has liability insurance coverage, but the Facility Owner and/or Municipality refuses to accept the certificate of insurance as proof of coverage?**

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

- A. The broker 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.

Feel free to contact our team at IRC for a further explanation of why your coverage may not be suitable to the facility owner.

### **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 under the Facility User Insurance Program?**

The deductible under the User Group Liability Insurance program for Bodily Injury, Property Damage and Defense costs is \$1,500.

### **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 parties property. Your own or leased equipment or 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, please contact our team and we can arrange further insurance coverage for this exposure.

### **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 organization's 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 Accident (AD&D) coverage is not offered under this program. However, you can arrange coverage separately by contacting the broker.

### **Does the Facility User Insurance Program insurer 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.

B. Coverage for your volunteers or employees who use their own licensed vehicles on 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.

### **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.

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

Yes, the insurance policy will cover a legal action brought by a spectators because they have suffered a bodily injury or damage to their property. The policy will provide the legal defense 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.

### **What if the cost of my defense 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 Program is for \$2,000,000 or \$5,000,000 depending on the type of activity or event. These limits are requirements by most facility owners and/or Municipalities, but in no way reflect a recommendation on the limit of coverage. It is up to the organization or individual who has intimate knowledge of the risks associated with their event or activity to decide the limit of insurance coverage necessary to protect them.

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

NO, the limits of coverage provided through this program cannot be increased per event unless stipulated on the rate sheet. However, the Team at IRC can arrange through a separate insurer an additional excess coverage over and above the program limits depending on the event insured.

### **Does this policy extend to other events or locations, besides the subject permit rental?**

NO, this policy is designed to protect you for permitted events on either the facility owner or municipality that endorses this program. If you have this outside exposure, then you should be purchasing separate coverage for activities taking place outside of those properties.

### **The majority of the event is in one municipality's permit rental space and other parts of the event are in the 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 municipality and the broker 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 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 IRC.



### **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 defense.
2. Report the incident, within twenty-four (24) hours or sooner, to IRC.
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 requesting in providing sworn statements that will be used in the defense of the action, and assist them in your defense.
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 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 defense 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.

### **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 defense and claim settlement. The statutory conditions under the Insurance Act allow insurers to decline coverage if the insured individual, organization, or event refuses to assist and/or cooperate in the investigation and defense of a liability claim.

### **What if I was unaware of an incident and sometime afterwards became aware or was served with a legal action well after the event?**

This can happen since third parties have up to 2 years to file a claim for negligence causing bodily injury or damage to their property. The insurance company will investigate the circumstances to verify why the claim was not reported. If they find you did not have knowledge or could have known, then the coverage will not be affected.

### **What if an edit must be made to my purchased insurance policy due to an error or unforeseen circumstances?**

You can reach out directly to IRC's online support to have any edits made and any additional costs or applicable refunds will be facilitated through IRC.

In the event the Township must cancel or reschedule your booking the original cost for any insurance purchased will be refunded or adjusted free of charge through the IRC support tool.

**Are waivers for guest participants a requirement when booking a facility and purchasing General Liability Insurance?**

No, this is not a requirement but a recommendation from IRC as additional supporting documentation for the permit holder in case of a claim.

**Whom do I contact for more information on my booking or confirmation on insurance type requirements?**

Questions surrounding your booking and/or inquiries regarding insurance confirmation should all be directed to the Community Services Department by emailing [facilitybooking@king.ca](mailto:facilitybooking@king.ca).

**Whom do I contact for more information or questions? Contact the insurance broker:**

Instant Risk Coverage

1 (800) 517-1390

[support@instantriskcoverage.com](mailto:support@instantriskcoverage.com)

[Online Support Chat](#)