

# SERG 20 Event Insurance - DRAFT

Insurance is a means of protection from financial loss. -Wikipedia

The following is provided as a basic review of concepts of insurance as it may be applied to campus Special Events, an overview of CSU and Auxiliary guidelines for insurance and specific types of insurance. Specific CSU insurance requirements in contracts are detailed in CSU Technical Letter RM 2012-01: California State University Insurance Requirements.

**A cautionary word** – Insurance may provide payments for specific losses under specific conditions which are detailed in the insurance policy. Insurance is a complex, technical and legal contract. Your campus risk manager, contracts and procurement officer and legal counsel each have expertise that can assist you in understanding, obtaining and/or accessing insurance related to events.

Insurance is important for campus events in order to pay for losses (injuries or damages) that occur and are the responsibility of the campus and/or off campus facility owners, equipment, material and service providers.

Insurance is a contract between an **Insured** and an Insurance Company (**Insurer**). The **Insured** pays a fee (premium) in exchange for the Insurance Company paying for certain losses of the **Insured** under the conditions of the insurance contract. (Insurance contracts are often referred to as **Policies**.)

It is a good practice for non-campus persons, businesses and other entities who provide equipment, materials and services for campus events to have insurance for their activities and products for campus events.

If/When a person is injured or property is damaged by non-campus persons, businesses and other entities who provide equipment, materials and services for campus events, their insurance may be available to pay for the loss.

**IF non-campus persons, businesses and other entities who provide equipment, materials and services for campus events do not have insurance, the campus may have to pay for the loss(es) resulting from the activities of these “contractors” reducing the campus financial resources for academic and support programs.**

**Critically important** – insurance is only effective if the insurance company has the management policies and procedures and the financial resources to actually pay for losses on the **Insured’s** behalf. Insurance

companies are evaluated and ratings published and updated by several established companies.

CSU Insurance guidelines provide for acceptability of Insurers with an A.M. Best rating of A:VII or equivalent unless otherwise agreed to by the University. \*

## Three Event Related Types of Insurance

### General Liability

An event participant is injured on a loose stair step in a facility  
An event activity causes property damage to a facility

### Automobile Liability

Automobile operated for an event injures a participant  
Automobile operated for an event damages a building

### Workers' Compensation Liability

An employee is injured while setting up event equipment  
An authorized volunteer is injured while helping an event participant

Insurance policies usually have **limits** on the amount the insurance company will pay for a loss and for all losses within a year on behalf of the **Insured**.

CSU Insurance Guidelines follow common good practices for government and public agencies and require the following "limits" of liability for the three general types of insurance.

## Insurance Limits for Three Event Related Insurances

**General Liability** - \$1,000,000 per occurrence and \$2,000,000 total per year

**Automobile Liability** - \$1,000,000 per accident with no annual limit

**Workers' Compensation Liability** – Limits as required by California Law

Something to understand about General Liability insurance limits total is that the limit is for all the activities of that person, business, non-campus entity for an entire year. If there is a loss at some other event that the insurance applies to, there could be less than the total limit available to be applied to subsequent losses. Many public entities, such as cities and counties, are requiring higher limits: \$2,000,000 per occurrence and \$4,000,000 total per year so that there may be insurance funds available for losses for their events.

## Persons, Businesses, Non-Campus Entity Insurance

When a campus hires a person, business or other non-campus entity for a campus event such as:

- a caterer to make, deliver and serve food
- a sound and light company to provide, bring, set up and operate their equipment
- an equipment company to provide, deliver and remove a high-lift for photographers
- a security company to staff an event with trained security guards

It is a good practice for the company or owner to provide **proof of insurance** policies for the three general types of insurance prior to providing the product and/or service for the campus event. \*

### Proof of Insurance for Event Related Insurances

Proof of insurance is provided on a standard insurance form usually called a **Certificate Of Liability Insurance** by the **Insureds** Insurance Agent to the campus. Specific language on the certificate is required to provide the campus with proof of appropriate insurance.

### Additional Insured for Event Related Insurance

CSU Insurance Guidelines state that the Insurance Policy be **endorsed** to include the campus as an **additional insured** and a copy of the **endorsement**, is to be provided to the campus.\* Very specific legal language is required for the endorsement to be effective in protecting the campus.

Workers' Compensation Insurance Policies are not usually endorsed; however, it is a good practice to require a "**Waiver of Subrogation**" when business, private or public entity will be performing work (providing services) for a campus event at the event site.

**Another cautionary word** – Insurance documents are not always standardized, your risk manager, contracts and procurement officer and legal counsel are your best resources to understanding insurance documents and verifying that they meet CSU and Auxiliary insurance requirements in contracts.

## Event Services Additional Insurance Details

Each of the following activities, materials, products, services, etc. have some additional details, guidelines, requirements, and specifics to be aware of as regards insurance for events. Out of the ordinary activities and risks may be EXCLUDED from coverage by the usual event related insurance. Specialized insurance is recommended when exceptional activities and/or risks are involved.\*

### **Alcoholic Beverages –**

When/if alcoholic beverages are to be served as a part of a campus event, it is a good practice to require **Liquor Liability Insurance** or Liquor Liability coverage within a General Liability insurance policy of the catering company serving the beverages in addition to the usual event related insurances.

When/if alcoholic beverages are to be served as a part of a non-campus event on campus it is a good practice to require Liquor Liability Insurance or Liquor Liability coverage within a General and or/ Special Event Liability Insurance policy of the **Tenant-User**.

It is a good practice for the campus to be an **Additional Insured** on such policies.

### **Entertainers –**

Included: Actors, Bands, Comedians, Dancers, Musicians, Orchestras, Performers, Singers, Speakers, Traveling Companies and other sought-after entertainment. These folks may or may not have agents or booking companies with contracts and insurance requirements of the campus and may not accept any insurance (or contract) requirements of the campus.

It is a good practice to consult with campus and/or CSU System personnel experienced in working with “entertainment companies” (Event Center, Performing Arts, Theatre, Concert Series) as well as authorized contracting officers, risk manager and legal counsel regarding contracts and insurance requirements for Entertainers.

See: “Entertainment” contract examples in Chapter Examples and Samples

### **Equipment Providers –**

Their equipment, their operators

Persons, businesses, other non-campus entities which are bringing and operating equipment for a campus event should provide the three general types of event related insurance.

If the equipment is exceptional – such as a crane to hold the scaffolding for lighting and sound equipment over a stage or a large outdoor state and covered audience area – the three general, event related insurances may not include such risks and it is a good practice to contact the risk manager, contracts and procurement officer and environmental health and safety to identify exceptional risks and additional insurance which may be appropriate.

#### Their equipment, campus operator

\*If the campus event needs to rent equipment such as chairs, tables, staging, pipe and drape, generators, sound equipment, etc. from a non-campus entity; the campus may need to provide **proof of insurance** for loss or damage to the equipment and/or purchase short term property insurance offered by the rental agency to cover their equipment. It is a good practice to contact the risk manager and contracts and procurement officer if it is necessary to provide proof of campus insurance and/or consider additional insurance for the rented equipment.

If the rental agency is delivering and picking up the equipment at the event site, the usual three insurance policies should be required.

## **Facilities -**

#### Non-Campus Facilities

\*If the campus needs to rent facilities that belong to a non-campus entity (city, county, company, private property owner) the campus may need to show **proof of insurance** which covers damage to property and injuries to persons which may occur related to the event at the rented property.

#### Non-Campus (Tennant) Users of Campus Facilities

When the campus licenses the use, or rents the use of a campus facility to a non-campus entity for the entity's event, it is good practice for the campus to require both **proof of insurance** and **additional insured endorsements** as appropriate.

As an alternative, campuses have available access to a special event liability insurance program which can provide insurance for non-campus entities for their events on campus. Contact your risk manager and/or contracts and procurement officer for details. The non-campus entity is referred to as a “**Tenant-User**” for this insurance program where they are an **Insured** as is the campus.

## Services Contractors

### Carnival Services – Amusements, Rides

Carnival equipment for rides include a variety of risks which may not be covered by the three, usual event related insurances. It is a good practice to require persons, businesses or non-campus entities providing carnival rides for an event to provide general liability insurance with a limit not less than \$1,000,000 which lists all rides and attractions on the insurance policy as required by California regulations.

Your risk manager and/or contracts and procurement officer can assist you with reviewing and approving this insurance policy.

### Catering Services – Food and Beverage

The usual event related insurance will often be sufficient for a caterer providing food and beverage for an event. It is a good practice to verify that the general liability insurance includes both bodily injury and **Products and Completed Operations** coverage. Campus risk manager and/or contracts and procurement officer can assist in verifying this coverage.

IF the service and/or sales of alcoholic beverages are involved, it is essential that the caterer also provide proof of liquor liability insurance and additional insured endorsement, see above.

### Drone Services – Aerial Photography, Videography

Drones aka unmanned aerial vehicles (UAV) can provide photographic and video services for an event. UAVs are aircraft and involve risks not addressed by the three, usual event related insurances. It is a good practice to also require the person, business, non-campus entity providing the services to provide proof of **Aircraft Liability Insurance** including limits of not less than \$1,000,000 per occurrence and \$2,000,000 total per year and an **Additional Insured** endorsement for the campus as respects their aviation operations.

It is a good practice for the event or campus to consider obtaining Non-Owned Aircraft Liability Insurance if aircraft operations are to be

a part of a campus event. This can protect campus financial resources from event aviation operations related losses.

#### Emergency Medical Services - Ambulance

#### Fireworks & Pyrotechnics – Indoors and Outdoors

Fireworks are usually EXCLUDED from coverage in the usual event related insurance. It is a good practice to require **Project Specific General Liability** limits of (\$1,000,000 per loss and \$2,000,000 total) **and Project Specific Excess Liability** coverage (\$5,000,000 or greater) for persons, businesses or non-campus entities providing fireworks and/or pyrotechnics services.

#### General Labor Services

Due to a variety of factors, an event may need labor services from outside the campus to set up, staff, take down, & clean up event facilities. For contracts for temporary general labor services it is essential that these persons are covered by the Temporary Help company's workers' compensation insurance.

As mentioned above, requiring a **Waiver of Subrogation** for the **Workers' Compensation Insurance** in favor of the campus entities responsible for the event is a good practice when contracting for general labor services in addition to the usual event related insurances.

#### Protected Populations – Children, Disabled, Elderly

A consideration for campus or non-campus events including camps, workshops, residential programs and services for protected populations could be **Sexual Abuse and Molestation Liability Insurance** with minimum limits of \$1,000,000 per occurrence and \$2,000,000 annual total in addition to the usual, three event related insurances.

If a non-campus event, it is a good practice to require the **Tenant-User** to provide proof of **Sexual Abuse and Molestation Liability Insurance**, and the campus endorsed an as an **Additional Insured**.

#### Security Services – Security, Emergency Response, Crowd Control

Hiring of security services for an event could include consideration of security services **Errors and Omissions Liability Insurance** with appropriate coverage for false arrest, assault and battery, abuse and molestation with minimum limits of \$1,000,000 per occurrence and \$2,000,000 annual total in addition to the usual, three event related insurances.

Temporary Structures – Booths, Grandstands, Rigging, Stages, Tents  
It is especially important for the **General Liability Insurance** of persons, businesses and non-campus entities constructing temporary structures for campus events to include coverage of **Products and Completed Operations** should there be a loss from collapse or other failure. The usual event related insurances should be required.

## Transportation

### Campus Vehicles

Each campus entity (University & Auxiliaries) has specific processes and requirements for authorizing the use of vehicles on campus business. These processes are essential to enacting the automobile liability insurance to protect the campus as well as the driver.

### Rental Vehicles

**Cars** – The University has established contracts with rental car companies that provide automobile liability and vehicle property insurance coverage for rental vehicles.

**Vans** - University established rental car contracts may include passenger vans and provide automobile liability and vehicle property insurance coverage.

**Trucks** – Rental of trucks may be outside the scope of established campus rental car contracts and both vehicle liability and vehicle property insurance may need to be purchased separately. Consult your contracts and procurement officer for assistance with both the rental agreement and appropriate liability and property insurance.

It is a good practice to utilize campus owned or campus rented vehicles for campus events.

### Personal Vehicles

The use of personal vehicles for campus business is subject to guidelines and requirements established by the University or the Auxiliary. In general, the owner of the vehicle is required to have personal automobile insurance with at least the minimum limits required by the State of California.

### Bus Services

Companies operating in and for the State of California are required to have a minimum of business automobile liability insurance with \$5,000,000 limits per accident. It is a good practice to require bus transportation companies to have a minimum of \$5,000,000 automobile liability insurance in addition to the usual general liability and workers' compensation insurance.

## Event (Liability) Insurance

### **Campus Insurance**

The campus has established through the California State University Risk Management Authority (CSURMA) and the Auxiliary Organizations Risk Management Alliance (AORMA) insurance programs with limits in excess of:

**General Liability** - \$1,000,000 per occurrence and \$2,000,000 total per year

**Automobile Liability** - \$1,000,000 per accident with no annual limit

**Workers' Compensation Liability** with limits as required by California Law

These event related insurances may pay for campus losses related to campus events such as injuries, damage to property, and employee injuries.

### **Proof of Campus Insurance**

When the campus rents a facility or equipment for an event, the owner may want to see proof of insurance. Proof can be provided in the form of a Letter of Self Insurance or a Certificate Of Liability Insurance (COLI) as described above. Contact your risk manager and/or contracts and procurement officer for assistance in obtaining proof of the campus insurance.

### **Special Event Liability Insurance for Campus Events**

The campus has access to a special event liability insurance program which can provide insurance specifically for individual campus events to pay for losses resulting from that event.

When a campus event purchases special event liability insurance, the event is taking responsibility for losses which may occur related to the event. This protects campus resources by reducing the losses related to the event to which the campus may be exposed.

Considering the purchase of special event insurance for each campus event is a good practice to reduce exposure of the campus resources to loss from campus events.

## **Special Event Liability Insurance for Non-Campus Events**

When a person, business, or non-campus entity contracts to use campus facilities for an event (for example: wedding, meeting, conference) it is a good practice to require proof of the three, usual event related insurances and additional insured endorsements as noted above. There may be instances in which the “renter” **Non-Tenant User** does not have General Liability insurance, as an individual, as a business or as a non-campus entity.

The campus has access to a special event liability program that may provide general liability insurance for the **Non-Tenant User** and the campus depending on the proposed activities of the **Non-Tenant User** on the campus.

This special event liability insurance program provides:

**General Liability** - \$1,000,000 per occurrence and \$2,000,000 total per year

as is required in the CSU insurance guidelines for use of campus facilities and property.

A **Non-Tenant User** may also choose to purchase special event liability insurance in order to have event specific insurance coverage rather than rely only on their existing insurance. In this way, the special event insurance protects their existing insurance from losses and their event takes responsibility for losses related to their event.

A **Non-Tenant User** may arrange for purchase of special event liability insurance through the campus risk manager and/or the contracts and procurement services officer based upon acceptability of the activities by the special event insurance program.

## **Event (Cancellation) Insurance**

Another type of event related insurance is Event Cancellation Insurance. This type of insurance can pay for pre-event expenses and some contract required payments if the event has to be cancelled due to specific causes.

For example: A campus has planned and is setting up for a concert. They have rented and set up bleachers, a portable stage, grid for speakers and lights, port-a-potties; they have contracted for audio visual equipment and services, food and beverage services, and the performers. Funds have been expended for rented equipment, set up by the companies or hired laborers, and before the concert, the campus is responsible for travel, housing and

food expenses for the performers. They have sold hundreds of tickets and collected thousands of dollars that may need to be refunded.

If the cause for cancellation of the concert is the required evacuation of the campus due to the danger of wildfire, and that cause is “covered” by the event cancellation insurance, the event can be reimbursed for all the covered costs as defined in the insurance contract (**Policy**).

Event Cancellation Insurance costs (**Premiums**) may exceed the pre-event cancellations costs, in which case an event would likely choose not to purchase the event cancellation insurance. If the cost for the event cancellation insurance is only a small percentage of the pre-event expenses, the insurance could reimburse the event for the eligible pre-event expenses allowing the event to be rescheduled without doubling the pre-event costs.

It is a good practice to consider event cancellation insurance for events with significant pre-event expenses in order to protect the financial resources of the event and perhaps the campus as well.

## Modification of Insurance

\*CSU Insurance Guidelines provide for the modification of the usual insurance requirements based upon the evaluation of the activity or risk involved in the equipment, materials, services to be supplied by non-campus person and/or business.

See: Chapter , Managing Special Event Risk, Risk Evaluation

Based upon determining what risks and subsequent losses could arise from the activities involved in the equipment, materials, services to be provided; detailed insurance requirements, including policy limits may be increased or decreased.

For special events, campus facility rental to non-campus persons, private and public entities or other large-scale activities with special circumstance, the usual insurance limits should be amended.

**A last cautionary word** – Insurance is a complex, technical and legal contract. Changes in insurance language can have significant impact on campus financial resources. Your campus risk manager, contracts and procurement officer and legal counsel each have expertise that can assist you in understanding, modifying, obtaining, and/or accessing insurance related to events.