



Washington Rural Counties Insurance Program

When Others Use Your Facilities: Are You Protected?

**Best Practice Alert
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www.wrcip.us

Questions?

If you have any questions regarding this best practice alert, please contact your local broker, or your Clear Risk Solutions Risk Manager directly at 800.407.2027.

Sometimes when renting or leasing member owned facilities to groups or outside organizations, there are not appropriate agreements or insurance requirements in place. This situation may create potential liability, which could be avoided or, at the very least, mitigated.

Clear Risk Solutions, Third Party Administrator for the Washington Rural Counties Insurance Program (WRCIP), frequently receives inquiries from members concerning liability and coverage. Questions arise as to who is liable if someone is injured while on member owned premises. Specifically, whether or not members' liability is different when their facilities are leased to third party groups or organizations for special events such as firework displays, arts and crafts shows, beer gardens, or carnivals. We would like to remind WRCIP members of the various areas of liability created under these circumstances, and suggest ways to avoid or transfer the risk to others, where possible.

Facility Use agreements are an important step in protecting your entity. As such, the following should be included in your Facility Use Agreement:

- Hold Harmless Agreements
- Indemnification Agreements
- Requiring Certificates of Insurance naming your entity as an Additional Insured on renter/lessee's or tenant's policy.

When you lease your premises to a group or organization for their intended purpose, require the group or organization to provide property and liability insurance for the building by contract. It is not recommended that entities volunteer to sponsor or operate special events, in an effort to lend their liability coverage to these organizations. If someone is injured, the process in which an employee handles the situation may be seen as a violation of the duty of care owed to the injured parties. WRCIP has sample agreements available. We can assist with determination of when, and with whom, these contracts should be entered into and/or what limits to require from others insurance.

In addition, Clear Risk Solutions has a Special Events Liability Program available for WRCIP members to refer third parties to when they do not have coverage to provide. Information about the Special Events Liability Program, as well as applications, can be found at:

<http://chooseclear.com/sel.html>.

Administered by:

