

# UNDERWRITING BULLETIN

## Renting Town Facilities for Events or Parties

**QUESTION:** What kind of insurance should we require if we rent out our Community Center (or Park or City Streets & sidewalks) to citizens for social events such as Wedding Receptions, Birthday Parties, Family Reunions etc.? Or, to Civic Groups for fund raising events, Parades or meetings or festivals?

Great question. General Liability coverage protects the policyholder from claims as a result of normal business operations. It also provides premises liability that may arise from property destruction or personal injury that occurs on your premises.

Does the Town's general liability extend to someone holding a non-government function on town owned property? No. However, the Town's general liability coverage would respond if property damage or bodily injury was determined to be caused by the negligence of the Town (such as loose stair treads or stair rails or uneven floor or carpet, hole in ground, etc.). Individuals or organizations cannot be added to the town's general liability policy for their activities.

Individuals and organizations renting town properties need to provide their own general liability coverage either through their homeowners' policy or a separate general liability policy often referred to as a special events policy. Their policy will protect either the individual or organization against negligence caused by whoever rents the space (such as spilled water, broken chairs, amusement devices or even unruly guests or a liquor liability problem, etc.). As the premise owner you (the Town) could potentially be named in any suit. Requiring a Certificate of Insurance showing proof of general liability and naming the town as an Additional Insured will provide protection in the event you are brought into a law suit due to the negligence of whoever rents the town properties. *(if your Town allows them to serve Alcohol at the premises you should also ask for Liquor Liability)*

**PRIVATE CITIZENS (Individuals):** The Town can decide what limits to require – most Homeowners policies have \$300,000 or \$500,000 or \$1,000,000 limits and most will cover the "homeowners" use of a rental facility; reception hall or community center or park for such events. The problem is that agents cannot issue certificates of insurance on a homeowners' policy so there is no way to provide the Town with proof of coverage. The Town can decide whether to accept a photocopy of the current Homeowners policy or to require a separate Special Event policy in order to get a Certificate of Insurance. (If the Citizen does not own a home or have homeowners' insurance then the only alternative is to purchase a Special Event policy).

**CIVIC GROUPS (organizations):** Most Civic Groups are insured for General Liability and should have no problem providing the Town with a Certificate of Insurance naming the Town as an Additional Insured. (Jaycees, Lions Club, Boy/Girl Scouts, Shriners or Churches). Make sure the certificate states that they are covered for the event and that the town is an additional insured.

## ALTERNATIVE

Gather Guard is a special events policy provided through Intact Entertainment online. Their website <http://www.gatherguard.com/> is easy to use and generally lower rates since they are online exclusively. (*Liquor Liability can be included if the citizen will be serving alcohol*). Once you go to their website, create a password, answer questions about what kind of event and activities that will take place and the program produces a premium. Once purchased, a policy is issued and the Town is sent a certificate showing coverage.

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