



# Transfer of Risk Guide: Special Events

The City of Knoxville strongly encourages users of this Transfer of Risk Guide to consult with insurance professionals in interpreting and applying the following requirements. If you are unable to retain and/or consult with an insurance professional, or if you cannot obtain the coverages required for your particular event, please contact the City of Knoxville's Employee Benefits & Risk Management Department.

It is in the best interests of the City of Knoxville to promulgate insurance requirements that balance the protection of the City, and its human and physical assets, with the encouragement of legitimate government and business pursuits, and responsible personal and recreational activities within the City of Knoxville. Insurance requirements exist to protect the City's human and physical assets and to enforce satisfactory financial transfer of risk to third parties.

Requiring insurance offers special advantages. It provides a unified front to plaintiffs in the event of a liability claim. It limits conflicts among potential defendants and minimizes confusion following a claim.

This guide contains standard language for most situations. It also provides guidance for some of the more complicated situations that will be encountered. It will not provide the answers for every situation. There may be special situations, which require more or less restrictive wording, higher or lower liability limits, or the elimination of some requirements. If these samples do not meet your specific situation, contact the City's Risk Manager.

## Insurance Requirements for Special Events

### Event Insurance – Waiver/Modification

The City's Risk Manager, at his/her discretion, may authorize a greater amount of coverage or different type of coverage than required by this policy if the special event is of a demonstrated high-risk category, according to recognized insurance and risk management industry standards. Additional coverage may include, without limitation, automobile liability and aircraft liability insurance. High-risk events requiring a greater amount of coverage to be determined by the Risk Manager include, but are not limited to, those with pyrotechnics. Event organizers utilizing inflatable rides must disclose such use to the City's Risk Manager at least 10 business days prior to the event, and must execute, or, in the case of an event organized by an entity, have executed by an individual with the authority to bind the entity, a disclosure statement and release to be provided by the City's Risk Manager. This disclosure statement and release must be appropriately executed delivered to the City's Risk Manager at least one day prior to the event. Failure to comply with the requirements of this paragraph may result in the City's cancellation of the event.

Subject to the Risk Manager's determination, as described above, all events held on City property or in City facilities require general liability or special event liability insurance coverage with a minimum of \$1,000,000 per occurrence/\$2,000,000 aggregate coverage, with the following exceptions:

The following events do not require insurance:

- Academic related events (such as spelling/math/science)

- Award celebrations
- Banquets
- Bingo/card/board games (not for fundraising)
- Clubs and organizational meetings
- Celebrations (weddings, anniversaries, birthdays)
- Debuts
- Graduations
- Head of state events
- Lectures and reading events (other than product or service promotions)
- Luncheons
- Meetings of a social, academic, business or philosophical nature (other than fundraising)
- Recitals
- Reunions
- Seminars (other than product or service promotions)
- Social Receptions
- Teleconferences

**Prior to commencement of the event, the event organizer must furnish the City with original certificates and amendatory endorsements effecting coverage required by this document. Such endorsements will include, without limitation, additional insured and waiver of subrogation naming the City of Knoxville, its officials, officers, employees, and volunteers.**

### **Expressive Activity**

“Expressive Activity” is any assembly, the sole or principal purpose of which is the expression, dissemination, or communication by verbal, visual, literary, or auditory means, of a particular opinion, view or idea, and for which no fee or donation is charged or required as a condition of participation in or attendance at such activity, including public oratory and distribution of literature.

Waiver of the insurance requirement shall be made if the event is solely for expressive activity, provided that the applicant has filed with the Risk Manager a verified statement that the applicant intends the special event purpose to be solely for a First Amendment expressive activity.

### **Self-Insurance**

The City’s Risk Manager shall review all certifications of self-insurance for appropriateness, including any required documentation demonstrating financial solvency.

### **TULIP (Tenant User Liability Insurance Policy) Program**

The City of Knoxville offers a TULIP Program, which provides for a general liability policy that can be accessed by those using City properties for various events. The policy provides coverage to the user as well as to the City for the specific event. Because the policy is underwritten based on the broad range of events that take place on City properties, it may be more reasonably priced than policies obtained individually. The policy can be easily obtained online and is customized to meet the City’s requirements. Users are not required to purchase this policy but may procure their own policy to meet the insurance requirements for events. Follow the instructions below to obtain a quote for your event:

- 1) Go to [www.venueability.com/cityofknoxville](http://www.venueability.com/cityofknoxville)
- 2) Follow the onscreen instructions.
- 3) If your event type does not fit one of the listed categories, please contact the City’s Employee Benefits & Risk Management Department at 865-215-3338 for further instructions. **Please note that certain types of events are**

**ineligible for TULIP coverage.** These events include, without limitation, events involving animals, amusement devices (including bounce houses/inflatables, water slides, mechanical and non-mechanical rides), fireworks, gun or knife shows, flea markets, farmers' markets, and bicycling activities.

- 4) After all underwriting questions are answered, you will be provided an insurance quote from for your event. If this quote is satisfactory, please continue to enter policy holder contact information.
- 5) Enter credit card information in order to purchase the policy online. Once the transaction is complete, the policy will be delivered to you electronically and a certificate of insurance will be delivered to the City's Office of Special Events and to the City's Employee Benefits & Risk Management Department. Should there be any issues, someone from the City will be contacting you. Otherwise, you have met the insurance requirement for your event.
- 6) Should you have any questions about insurance requirements for events, please contact the City's Employee Benefits & Risk Management Department at 865-215-3338. To obtain more information about the policy, users may contact Steven McGhee at the City's insurance broker, Willis Towers Watson, at 865-583-3752.

## Certificates of Insurance

### Background

The best proof of coverage is a properly executed endorsement to the insurance policy. It is not practical to require the endorsement for every agreement so the City allows certificates of insurance to be submitted in most situations. You should keep in mind, however, what an insurance certificate is not. Insurance certificates do not:

- Modify the insurance policy
- Automatically make the City an additional insured
- Provide coverage details
- Guarantee that the coverage limits stated are still available; they may have been exhausted by claims
- Provide the certificate holder any special rights
- Disclose how many other entities are sharing the limits
- Guarantee that coverage is still in place
- Place any obligation on the insurer to provide coverage

What a certificate does provide is information about the insurance in place at the point in time when the certificate was issued.

Most, but not all, certificates will be on an ACORD form. ACORD is an acronym for Agency Company Organized Research and Development, an industry-supported non-profit agency. Some certificates are specifically designed for the broker, insurance company, or insured.

### Certificate of Insurance Checklist

If you have any questions or problems regarding any particular Certificate of Insurance, contact the City Risk Manager.

A common problem with certificates is that they have the City only listed in the box on the lower left side of the certificate titled *Certificate Holder*. This does not mean that the City is an additional named insured. It only means that the City has possession of the certificate. There must be additional language on the certificate that clearly states that the City is an insured. Sometimes this language is in the description and will say that the certificate holder is also an insured. There should be no special limitation on the additional insured status of the City. For example, a restriction that ties additional insured status only to claims arising out of the sole negligence of the event organizer does not confer the required coverage. The most recent standard certificates also include a second page that limits

additional insured status and waiver of subrogation. Special attention should be paid to this wording as additional documentation will be required to meet the City's requirements. On certain occasions, it will be necessary to request a copy of the entire policy.

On a large agreement it may be advisable to require the event organizer to provide a list of its policies' exclusions. It is possible that the service being provided is excluded in the liability policy. For example, many policies exclude bounce houses and trampoline usage.

The name of the insurance company providing coverage is usually on the top right side of the certificate. The basic insurance requirements call for an insurance company with an A.M. Best Company rating of no less than A-. The A.M. Best's Key Rating Guide® is available in Risk Management. This guide provides an independent evaluation of companies' financial strength and operating performance. The basic insurance requirements are for a company with A.M. Best Company ratings of no less than A-.

The producer should be clearly marked on the certificate. In the event a claim occurs and the insurance company refuses to honor the certificate, the City may have a course of action against the errors and omissions (E & O) coverage of the producer (broker or agent).

The special event location to which a certificate applies should be identified on the certificate. In the event of a claim there should be no confusion that the described insurance applies to the activity, which is the subject of the agreement.

The *Cancellation* box on the lower right side of the certificate should be modified. The standard wording on the ACORD form and other certificate of insurance forms include language that the insurance company will endeavor to notify the certificate holder if the insurance is cancelled; i.e., the insurance company has no obligation to notify the City if the insurance is cancelled. This requirement may meet strong resistance from some insurance companies. The most recent ACORD form has changed this box, so special attention should be paid to make sure that notice of cancellation will be provided to the City. Endorsement or policy wording may be required to ensure that the City is given 30-days' notice of cancellation for anything other than non-payment. Special Event and TULIP (Tenants' and Users' Liability Insurance Policy) policies are for a specific date or set of dates. These policies are often purchased within a few days of the event or they are purchased and then cancelled within 2 or 3 days. Therefore, it should be understood that the insurance carrier cannot warrant notification of 30 days because it isn't always possible.

The aggregate limits shown on the certificate are the total limits available for all losses from all operations of the event organizer (or other named insured) during the policy term unless there are special policy endorsements to the policy. The limits apply to losses from other projects of the named insured, all premises rented or owned by the insured, and liability coverage contractually provided to other certificate holders. The limits for each occurrence must be at least as much as required by the agreement unless there is excess liability insurance to bring the coverage up to the required limits.

A policy number or binder number must be indicated.

The second page of the latest ACORD Certificate of Insurance limits the additional insured and waiver of subrogation language presented on the certificate. Because of this limitation, endorsements and/or policy wording should be required to verify that agreement provisions have been met. The endorsements or policies can be written on a blanket (each additional insured is not named) or specified (each additional insured is named) basis. Both are acceptable to meet the City's contractual requirements. An additional insured status or waiver of subrogation will include language that entities are included in coverage as required by a written agreement. Specified endorsements or policy language will name the City of Knoxville, its officials, officers, employees, and volunteers specifically for both additional insured status and waiver of subrogation.