

GENERAL LIABILITY EMERGENCY ORDER

TO: ALL CFSA MEMBER FAIRS

SUBJECT: PETTING ZOOS WITHOUT CFSA APPROVED LIABILITY COVERAGE

DATE: June 3, 2005

EMERGENCY ORDER

Protection and defense obligations for any **Protected Party** under the Memorandum Stating the Terms and Conditions of the Primary General Liability Risk Sharing Program Administered by CFSA ("**Memorandum**") with respect to any **Claim** or loss related to a petting zoo shall be conditioned upon CFSA's advance approval of the petting zoo's general liability insurance coverage. Otherwise, such protection and defense shall not be provided by CFSA with respect to any **Claim** or loss related to a petting zoo. This emergency order is issued under the terms and conditions of the **Memorandum**, Section 9 "Conditions," Subsection (A), and shall become effective June 3, 2005 at 12:01 a.m. Pacific Standard Time.

Background

CFSA's general liability insurance requirements for petting zoos specify minimum general liability limits of \$1 million per occurrence, with coverage at least as broad as the current Insurance Service Office (ISO) policy form #CG 0001. All fair contracts with petting zoo operators must be submitted to CFSA for **advance** insurance certificate review and approval because these are designated hazardous contracts.

In April, the Director of the Division of Fairs and Exposition sent a report to all fairs on the E. coli outbreak at several fairs in Florida, listing the numbers of children and adults severely injured. Multiple lawsuits already have been filed against the involved fairs and petting zoo.

It has recently come to our attention that because of the incidents in Florida, some commercial general liability insurance policies being issued to petting zoo operators now include a new exclusion eliminating coverage for claims arising from E. coli and other infectious diseases. The resulting coverage does not comply with CFSA's insurance requirements. Due to the risk

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The resulting coverage does not comply with CFSA's insurance requirements. Due to the risk exposure from uncovered E. coli claims, it is CFSA's policy to reject as unacceptable the insurance coverage for a petting zoo operator with this new exclusion. At this time, we are not aware that the new exclusion is being placed on commercial liability insurance coverage for other animal related contractors, such as pony ride operators, and CFSA continues to approve their liability insurance coverage.

CFSA has been in contact with petting zoo operators and several insurance brokers trying to find insurance coverage without this exclusion. We have identified an insurance broker in Colorado that can write coverage for petting zoo operations without the E. coli exclusion. This information has been communicated to the petting zoo operators we know are not in compliance with CFSA's insurance requirements. We recognize the popularity of petting zoos with fair patrons. However, this interest must be balanced with the potential risk of illness from E. coli to fair patrons and the exposure this would create to the liability pool if petting zoo operators have no insurance coverage for E. coli claims. CFSA's liability program is not structured or priced to provide primary protection for these types of claims. We will continue to monitor this situation and keep you informed of any developments concerning insurance coverage for petting zoos.

In light of the foregoing, CFSA strongly endorses the advisory (F2005-13) recently distributed by the Division of Fairs and Expositions regarding the appropriate precautions to protect against E. Coli. In addition, CFSA believes that fair sponsored petting zoos may pose inordinate liability exposure. Any fair proposing to sponsor its own petting zoo should contact CFSA immediately to discuss the conditions of such operations.

We appreciate your cooperation and please contact Charlie Mitchell at 916-263-6150 or Lianne Lewellen at 916-263-6145 if you have any questions or concerns regarding this matter, or if you would like to discuss proposed petting zoo operations at your fair.

Donna J. Bardaro
Executive Director

cc Petting Zoo Operators
Fairs & Expositions
Western Fairs
Miller, Owen & Trost
All CFSA Redbook Custodians

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