

# INSURANCE INFORMATION ALERT

TO: ALL CFSA MEMBER FAIRS

FROM: Charlie Mitchell, Risk Manager

SUBJECT: CFSA GENERAL LIABILITY OPERATING MEMO #05-01; FAIR PROMOTED MOTORIZED AND RODEO EVENTS

DATE: October 20, 2004

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The enclosed CFSA General Liability Program Operating Memorandum #05-01 becomes effective January 1, 2005, and applies to all fairs participating in CFSA's General Liability Program. This new Operating Memorandum requires all participating fairs to maintain commercial general liability coverages for the following fair sponsored events:

- Fair Promoted Motorized Events; and
- Fair Promoted Rodeo Events.

One of the reasons CFSA liability rates have remained relatively stable over the last few years is because of appropriate risk transfer to outside contractors and insurance markets. This is particularly true for motorized racing and rodeo events. The CFSA liability program is not designed to provide primary coverage for these higher risk events.

In 2003 CFSA became concerned that some fairs were promoting/co-promoted motorized racing and rodeo events without obtaining the outside commercial liability coverage that would be required of an outside promoter/contractor. It has always been CFSA's unwritten policy that any member fair promoting a motorized or rodeo event must obtain outside coverage in the same amount as required of outside promoters/contractors. CFSA's Risk Advisory Committee met to discuss this issue and suggested the development of a new program that would cover member fairs promoting their own hazardous events.

In 2004 CFSA started up a new Hazardous Special Events Program based on interest from member fairs. This program, which is available to all member fairs, offers outside commercial liability insurance coverage for motorized and rodeo events. For the 2004 fair

**NOTE: Please file this ALERT under General Liability Section 3, General Liability Memorandum, in your Claim & Loss Reporting Guide - 3<sup>rd</sup> Edition (The CFSA "Red Book").**