

INSURANCE INFORMATION ALERT

TO: ALL CFSA MEMBER FAIRS WITH LIVE HORSE RACING

FROM: Charlie Mitchell, Risk Manager

SUBJECT: Pari-Mutual Operations

DATE: June 17, 2005

It has come to CFSA's attention that member fairs with live horse racing are employing "bet runners" as fair employees. The duties of these "bet runners" include the handling of pari-mutual wagers for fair patrons.

We have also just recently been informed of an incident arising from the actions of a "bet runner" employed by a fair. The incident resulted in a \$5,000 settlement paid by the fair for failure of the "bet runner" to place a wager on behalf of a fair patron.

This Alert is to inform you that the Memorandum of Coverage (MOC) for the General Liability Program includes a limitation excluding protection for any claim or loss arising out of the handling or processing of pari-mutual wagers. This limitation is found in Section 8 LIMITATIONS of the MOC under Item (U). This limitation would apply to the actions of a "bet runner" employed by a fair in handling wagers. This limitation has been included in all MOCs since the inception of the General Liability Program.

If your fair is a participant in this type of activity, please be advised there is no protection through the fair's general liability program. Should any claim or loss occur from the handling or processing of pari-mutual wagers, the fair would have to accept responsibility for this exposure.

Please call me at (916) 263-6150 if you have questions or concerns regarding this alert.

cc Division of Fairs & Expositions
CFSA Management

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