

SUMMARY OF PROTECTION GENERAL LIABILITY RISK SHARING PROGRAM

The Memorandum Stating the Terms and Conditions of the Primary General Liability Risk Sharing Program Administered by the California Fair Services Authority (“Memorandum”) and the excess liability policy issued by Allied World Assurance Company are to be used to determine the actual protections/coverages, maximum limits, conditions, limitations/exclusions and definitions. This outline of protection is intended as a handy general reference for your convenience.

Highlights of the protection are as follows:

- ◆ The protection period is from January 1, 2010 to January 1, 2011.
- ◆ The protection is for personal injury including bodily injury, property damage, public officials errors and omissions, employment practices liability, and non-profit organization liability, including directors and officers liability, for non-profit corporations operating fairs.
- ◆ The maximum amount of protection under the Memorandum and the excess policy is \$10,000,000 per occurrence, inclusive of defense obligations, with an annual aggregate for each fair of \$10,000,000 inclusive of defense obligations applied separately to Products and Completed Operations; Employment Practices Liability; and Public Officials Error and Omissions or Non-Profit Organization Liability. Annual aggregates apply separately to each Participating Entity in the program.
- ◆ The Memorandum and the excess policy pay on behalf of the protected party, which means that the fair would not have to pay the judgment first and then be reimbursed.
- ◆ Protection is for liability imposed by law, or tort liability, for bodily injury and/or property damage to others, including that assumed under contract.
- ◆ The Memorandum and excess policy include liability protection for operations and activities of the fair.
- ◆ Contingent amusement ride liability is a covered exposure under the Memorandum and the excess policy for the fair.
- ◆ Protection is on an occurrence basis, not on a claim made basis, which means that the Memorandum and the excess policy in force at the time the incident occurs would respond to a claim rather than the Memorandum and the excess policy in force at the time the claim is made.
- ◆ The parties protected under the Memorandum and the excess policy are the fair, the governing board, as well as officers and employees, including volunteers, while acting within the scope of their duties for the fair.
- ◆ Protection is for General Liability and does not cover damages from auto, watercraft or aircraft used by the fair, but does include protection for claims resulting from use of unlicensed mobile equipment or from parking of an auto on the premises owned, rented or controlled by the fair, if the autos are not owned, rented or leased to, or in the care, custody and control of the fair.
- ◆ Protection applies to employment discrimination, wrongful termination, breach of employment contract or other employment related claims. A \$10,000 deductible per employment related claim is fair’s responsibility.
- ◆ Protection applies to participant liability as long as the fair makes a good faith effort to obtain participant waivers.
- ◆ There is no protection for real or personal property owned, leased, rented or loaned to the fair or in the care, custody and control of the fair, except there is protection for non-fair owned personal property in the care, custody and control of the fair up to a maximum of \$50,000 per occurrence.
- ◆ There is no protection for errors or omissions arising out of handling parimutuel wagering.
- ◆ There is no protection for punitive or exemplary damages or breach of contract.
- ◆ There is no protection for asbestos claims and pollution claims, except for those pollution claims arising from hostile fire and pesticide/herbicide applications.
- ◆ For all acts of terrorism, there is protection up to \$10,000,000 per occurrence
- ◆ Protected parties must comply with the Joint Exercise of Powers Agreement or other agreement with CFSA, as well as any Operating Memorandum issued by CFSA Board of Directors.
- ◆ This protection is in excess over any other available insurance or self-insurance programs.
- ◆ Authority retains the right of subrogation in case of payment under the Memorandum.
- ◆ CFSA assesses fees to participating fairs by establishing a base fee for each fair classification modified by an individual fair’s loss history.

As with any broad coverage documents, the limitations tend to be more specific than the broad range of protections, and there are some differences in protections between the Memorandum and the excess policy. If you have specific questions regarding the General Liability Program administered by the California Fair Services Authority, please call Charles Mitchell at (916) 263-6150.