

# SUMMARY OF COVERAGE

## GENERAL LIABILITY RISK SHARING PROGRAM

The Memorandum of Coverage for General Liability Risk Sharing Program Administered by the California Fair Services Authority (“Memorandum”) is to be used to determine the actual coverages, maximum limits, conditions, exclusions and definitions. This outline of coverages is intended as a handy general reference for your convenience.

Highlights of the coverage are as follows:

- ◆ The coverage is for bodily injury, property damage, personal injury, public officials errors and omissions liability, and employment practices liability.
- ◆ The maximum limit of coverage under the Memorandum is \$25,000,000 per occurrence, inclusive of defense obligations, with an annual aggregate for each Fair of \$25,000,000 inclusive of defense obligations applied separately to Products and Completed Operations. Annual aggregates apply separately to each Covered Party in the program.
- ◆ The Memorandum pays on behalf of the covered party, that means that the Fair would not have to pay the judgment first and then be reimbursed.
- ◆ Coverage 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 includes liability coverage for operations and activities of the Fair.
- ◆ Contingent amusement ride liability is a covered exposure under the Memorandum for the Fair.
- ◆ Coverage is on an occurrence basis, not on a claim made basis, which means that the Memorandum in force at the time the incident occurs would respond to a claim rather than the Memorandum in force at the time the claim is made.
- ◆ The parties covered under the Memorandum 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.
- ◆ Coverage is for General Liability and does not cover damages from auto, watercraft or aircraft used by the Fair, but does include coverage for claims resulting from use of unlicensed mobile equipment; 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 or from non-owned aircraft operated by or on behalf of the Fair.
- ◆ Coverage 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.
- ◆ Coverage applies to participant liability as long as the Fair makes a good faith effort to obtain participant waivers.
- ◆ There is no coverage 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 coverage 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 coverage for errors or omissions arising out of handling pari-mutuel wagering.
- ◆ There is no coverage for punitive or exemplary damages or breach of contract.
- ◆ There is no coverage for asbestos claims and pollution claims, except for those pollution claims arising from (1) violent breaking open or explosion of any building, (2) fire, lightning or windstorm damage to any building, (3) collision, overturning or upset of any vehicle or mobile equipment, or (4) unintended fire, lightning or explosion, subject to prompt reporting requirement.
- ◆ For all acts of terrorism, there is coverage up to \$25,000,000 per occurrence.
- ◆ Optional automobile liability coverage for owned, non-owned, and hired vehicles is available. There is coverage up to \$25,000,000 per occurrence.
- ◆ Covered 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 coverage 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 coverages. If you have specific questions regarding the General Liability Program administered by the California Fair Services Authority, please call Tom Amberson at (916) 263-6180.