



## Understanding Insurance: A Guide For AMA Organizers

The AMA negotiates insurance rates with the AMA Preferred Insurance Provider. **The AMA does not operate the insurance program, nor does it earn any money from the insurance premiums that AMA organizers pay.**

Anyone who conducts an event, is a sponsor or landowner for a motorcycle or ATV event is subject to potential bodily injury and property damage negligence claims related to the event.

For competition events, the promoter may also have an errors and omissions exposure related to the scoring of an event.

### Why Insurance is Important

Insurance protects you, your club members, your employees and volunteers, the landowners you work with and the AMA.

Participants and spectators are often the most likely to file a lawsuit, but could also file a claim one of your club members or volunteers because of an injury at a sanctioned event.

## Types of Claims

### Bodily Injury Claims

An event organizer or sponsor assumes the responsibility to adequately protect participants, spectators and third parties by its design of the event, access to the event and control of the event.

**Participant:** A participant is injured on a ride or at an event. The participant sues the organizer or sponsor for negligence alleging they improperly designed the course or route, improperly controlled the speed or knew the conditions were not safe. Injury may occur from one rider hitting another rider. In this case, a participant might allege the organizer or sponsor exercised improper control over the participant.

**Spectators or Third Parties:** These claims usually result from inadequate protection or failure to restrain access to the event. If a participant crashes into a spectator, the claim will usually involve an allegation the organizer or sponsor inadequately provided physical protection, setbacks or physical barriers for spectators.

### Property Damage (Third Party)

These types of claims can result from a participant, organizer or sponsor causing damage to third party property. A participant loses control and hits a third-party vehicle. A participant crashes and spills oil and gasoline causing damage to third party property.

### General Liability Coverage (including Premises Liability and the Business Owners' Policies)

These policies will not usually cover these types of claims, as the policy excludes coverage for participants and will exclude claims related to the use of "auto (motorcycle)" / mobile equipment and will have limited pollution liability coverage.

### Layers of Protection

A waiver of liability, provided as a supply to organizers who charter with the AMA, may be a shield against liability, but it is not a shield against being sued and needing to provide a defense. The insurance policy provided through the AMA Preferred Insurance Provider covers the cost of a defense in addition to providing liability coverage (if needed).

*The policy provided through the AMA Preferred Insurance Provider is designed to extend coverage for these circumstances.*

## Common Misconceptions

*One parent's signature on the liability waiver is good enough.*

**Fact:** It is a requirement that BOTH parents or legal guardians signatures be on the minor release form. In some cases, the father may have signed the release and mother was not there and did not sign. If the mother files a suit, the organizer does not have the first line of defense: the release form.

*I don't need insurance. My event takes place on public roads where participants are legally responsible for holding their own insurance.*

**Fact:** As the event organizer and or promoter, you are potentially responsible for the event on public roads. While each participant may have auto insurance, that insurance will not provide any coverage to the event organizer. Insurance through the AMA Preferred Provider covers the cost of a defense and any liability coverage.

*I found insurance for much cheaper than the premium offered through the AMA Preferred Insurance Provider. Can I use that?*

**Fact:** The AMA accepts insurance from other providers, as long as the coverage meets the requirements set in place by the AMA. Sometimes organizers find plans that are less expensive, but the coverages are not the same. Be sure to compare apples to apples.

*Everyone is required to have personal insurance. They won't need to sue my organization for hospital bills.*

**Fact:** Insurance held by individual participants will not extend to event organizers. In the event of a death of a participant, sometimes a surviving family member or estate has filed suit. In some cases, the private health insurance company may have paid a claim and later decided to try to cover their losses paid out by suing the party they feel was responsible.