



USDF

UNITED STATES *Dressage* FEDERATION
SECTION FOUR - INSURANCE

Commercial General Liability Insurance

Each GMO is required by the USDF to carry a Commercial General Liability insurance policy with the minimum limit of liability of \$1,000,000 per occurrence. 'Per occurrence' refers to each clinic, schooling show, USDF University event (including Instructor Certification Workshops and 'L' judges program series), and licensed show. The policy provides bodily injury and property damage reimbursement to third parties as a result of the GMO's equine activity. An injury or accident must occur and be reported for this policy to respond.

Various companies have different underwriting rules and requirements. Be sure to communicate with your agent about your specific activities. The following represents some guidelines to consider.

The named insured is the GMO and includes all paid members of the club. Check with your policy to see if non-member judges, clinicians, show organizers and volunteers are covered by your policy. Depending on your policy, it may be more economical to give a membership to a clinician or judge being paid for their services when working with your GMO (with their permission).

It is important to note that because the 'insured' is the GMO and a GMO is a collection of members, a member cannot sue the GMO for damages under the GMO insurance policy. Also as a result of this, if an event your GMO plans will only involve GMO members you may not need to request an insurance certificate for that event (unless it is one of a number of USDF University or licensed show events where insurance coverage is mandatory, regardless of who participates).

The Commercial General Liability policy does NOT cover Directors and Officers errors and omissions insurance. This is a separate and different policy form in most instances.

The Commercial General Liability policy is written on an annual basis, renewable each year, with an up-to-date application. The premium is determined by the number of public event days and the number of additional insured locations as well as the number of club members. A public day is defined as any horse activity involving club and/or non-club members. A non-horse function such as an annual meeting may be covered under the base premium charge. Larger, more elaborate meetings or banquets would need to be submitted for individual underwriting approval, with a possible premium charge.

An additional insured location is a facility, facility owner, or organization that specifically requires to be named as an insured on the GMO policy. Insurance policies may require a payment for each 'additional insured' and/or require payment for each insurance certificate issued. Know your policy and be sure to include these charges in your planning for insurance budgetary costs. Per USEF rules and USDF policies, often one or both of the organizations require to be listed as 'additional insured' organizations on

GMO activities such as licensed competitions or USDF University programs. The complete address must be given and a premium charge applied. For licensed shows it is important to list the show licensure number, as well as the number(s) that is tracked by the national organizations. Show management can be fined if proof of insurance, including listing as an additional insured, is not documented 14 days prior to the event taking place per USEF GR215.18. Work with both USDF and USEF competition staff members to ensure the certificate sent by your insurance company has been received and logged for your licensed show events. The onus of proof falls on the show licensee, which may be the GMO itself. Some locations, for example, a local barn hosting a GMO-sponsored clinic, only request proof of the GMO's insurance. This can be accomplished in the form of a Certificate of Insurance, which relates the GMO's name, policy effective dates, policy number, and a limit of liability. Additional information can be added if so required.

Directors and Officers Insurance

Directors and Officers Insurance is an additional policy that protects the board, employees, and volunteers of a Club or Organization for allegations such as mismanagement of operations, organization assets, breach of fiduciary duties, slander, employment practices, and crime related losses. The premium is based on the size of the organization, amount of money that is handled, and general club activity. Financial statements and club By-Laws are required as part of the application.

Hired and Non-Owned Auto

Most GMO general liability policies do not provide any insurance for auto related exposures. If your base policy does not cover these situations, you can purchase a separate policy. It will provide the GMO, insurance for the risks associated with your GMO volunteers, driving horse show officials or clinicians, to and from the airport, hotel, or event function. The insurance coverage would typically be secondary to the insurance that the volunteer driver would carry. As an example, if a car driven by the volunteer is involved in an accident, and that volunteer's insurance coverage limits are exhausted, there would be potential for the injured third parties (official in the car or others), to make a claim against the GMO. This Hired and Non-Owned Auto policy would respond to those additional claims. The premium is based on the size of the GMO and the number of activity days.

GMO Personal Property

This policy provides physical damage and theft insurance for GMO owned equipment and supplies. This may include such items as your portable arena fencing, dressage letters, office equipment, or even a cargo trailer used to store the equipment. The premium is based on the total value of the items to be insured. You can check with your agent to see if this coverage can be added to your base general liability policy.

Know Your Sources of Coverage

Each member of the United States Equestrian Federation also receives some insurance coverage for equine related activities. Depending on what type of equine activity your GMO is planning and who is going to attend, members may decide (for that event) that this type of coverage is sufficient. Also, several breed organizations are now offering insurance as part of their membership package. Most riding schools and boarding stables have some form of insurance. When planning a GMO activity at such a location the important task is to discuss insurance coverage: *who has what and what does it cover?* You may be surprised what you find. Sometimes you will have full coverage for the horses and riders and the only entity not covered would be the GMO, so what you have to ask is: *what liability the*

GMO itself has in this event? Other times you will find something as large as a State Fair has decided not to carry any insurance and so your policy for an event there is desperately needed to protect your volunteer organization.

GMO Policies

If your GMO has a policies and procedures manual or event organization guidelines ensure that it is undated annually to match the record keeping and timeframes needed by your insurance policy. It is very helpful to have your Insurance Coordinator work closely with your Board of Directors and your Treasurer.

It is strongly suggested that each GMO designate one person to handle the insurance matters. This person should familiarize themselves with the provided insurance and be responsible for notifying the insurance agency of any additions or changes to their coverage. Changes should be requested at least four weeks in advance of the activity to allow appropriate processing and fulfillment of such applicable USEF rules. It is also recommended that the Insurance Coordinator brief the GMO Board on a regular basis regarding which insurance certificates have been issued. An Insurance Coordinator should report any claims against the insurance policy immediately to the GMO Board.

The insurance file should be kept with all relating documents a minimum of three years (or longer, if required by state law where your GMO is located) and passed in its entirety to any future designated person. Attached, please find sample club liability application, notice of claim form, and sample of a Certificate of Insurance.