

## Local Government Insurance Trust

# RISK MANAGEMENT BULLETIN

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### Summer Celebrations & Special Events: Risk Exposures

Now that summer is here, many local governments are busy preparing for Summer Celebrations and Special Events. These events bring the communities together and the local governments play an important role in facilitating these events by allowing the public to use streets, parks, fields and other facilities. Examples for these types of use include: a private group rents a room at the municipal recreation center for a meeting, use of public streets for a parade, local artists display their work at the town park during a festival and a fireworks show is held at the town park.

But before the fun begins, you need to deal with potential liability issues. When a LGIT member is the one holding the event, the member is covered for third-party liability claims and losses from damage to covered property. On the other hand, if a private group or organization is going to organize and run the event, make sure they understand how and where the local government's liability coverage does and doesn't apply.

In the latter case, what should you do? LGIT recommends that its members transfer the risk back to the sponsoring organization by requiring the organization to obtain their own liability insurance (**This coverage may be obtained through a local agent/broker or by contacting LGIT'S Loss Control / Underwriting Department for further assistance in obtaining this coverage through an outside carrier.**) The local government should require that the private group or organization have their liability policy endorsed to name the local government as an additional insured and to provide the local government with a certificate of insurance evidencing such coverage. If the organization is unable to obtain liability insurance, the local government must then decide if this is a risk for which they are willing to assume. A local government should be very careful when providing coverage to a third party under any agreement because if that party is not a governmental entity, it may not be covered by the Local Government Tort Claims Act. In view of the fact that the local government may not be in control of the event, it will not have the ability to manage the risk as it might normally. Furthermore, a covered loss would affect the local government's experience rating and could increase its future premium.

The key to a successful event is to focus on pre-event planning in order to prevent and reduce potential loss exposures. Therefore, a local government should develop the following strategies for a successful event:

#### *Endorsing Organizations*



**Adopt a Special Events Policy –**

- To manage and regulate events on local government property sponsored by other organizations;
- To protect the health, safety and property of participants and attendees;
- To determine whether the event would create such a burden on the community that it would not be practical or possible to hold.

Communicate the policy to appropriate departments, organizations, businesses and/or individuals who may be affected by the policy.

**Event Planning Committee or Event Coordinator –**

Committee or coordinator conducts pre-event planning by implementing: administrative controls, site evaluation, traffic and parking controls, crowd management, security and medical services.

- Committee or coordinator has overall responsibility for the event.
- Uses checklists for consistency in selecting and evaluating events;
- Establishes a communication network with public officials, event organizers/promoters, corporate sponsors, police, fire, vendors, insurers and others.

**Special Events Application –**

Helps to regulate and properly manage events sponsored by outside organizations.

- Outside organization should be required to complete an application;
- Must include all information pertinent to decision making and planning; Applicant should specify any service, material, or property that is expected to be provided by the local government;
- Application should be reviewed by the event coordinator/committee in a timely manner;
- Applicants should be notified in writing of approval or denial of all special event requests.

Special events must be carefully managed, so that the safety and health of the participants is in mind, the protection of public property considered and the impact on non-participating citizens is minimized. Local government must work together to ensure a safe event and to eliminate liabilities arising out of special events. Proper guidance and risk control procedures can reduce the possibility, as well as the severity of incidents that may occur.

For additional information on this topic, please refer to the Risk Management Manual, Module #5, Park/Playground/Fireworks Safety, or contact Ellen P. Nudd, Underwriter at 1-800-673-8231.

*This bulletin is intended to be merely informational and is not intended to be used as the bases for any compliance with federal, state or local laws, regulations or rules, nor is it intended to substitute for the advice of legal counsel.*