



Transfer of Risk Guide: Special Events

The City of Knoxville strongly encourages users of this Transfer of Risk Guide to consult with insurance professionals in interpreting and applying the following requirements. If you are unable to retain and/or consult with an insurance professional, or if you cannot obtain the coverages required for your particular event, please contact the City of Knoxville's Employee Benefits & Risk Management Department.

It is in the best interests of the City of Knoxville to promulgate insurance requirements that balance the protection of the City, and its human and physical assets, with the encouragement of legitimate government and business pursuits, and responsible personal and recreational activities within the City of Knoxville. Insurance requirements exist to protect the City's human and physical assets and to enforce satisfactory financial transfer of risk to third parties.

Requiring insurance offers special advantages. It provides a unified front to plaintiffs in the event of a liability claim. It limits conflicts among potential defendants and minimizes confusion following a claim.

This guide contains standard language for most situations. It also provides guidance for some of the more complicated situations that will be encountered. It will not provide the answers for every situation. There may be special situations, which require more or less restrictive wording, higher or lower liability limits, or the elimination of some requirements. If these samples do not meet your specific situation, contact the City's Risk Manager.

Insurance Requirements for Special Events

Event Insurance – Waiver/Modification

The City's Risk Manager, at his/her discretion, may authorize a greater amount of coverage or different type of coverage than required by this policy if the special event is of a demonstrated high-risk category, according to recognized insurance and risk management industry standards. Additional coverage may include, without limitation, automobile liability and aircraft liability insurance. High-risk events requiring a greater amount of coverage to be determined by the Risk Manager include, but are not limited to, those with pyrotechnics.

Event organizers utilizing inflatable rides must disclose such use to the City's Risk Manager at least 10 business days prior to the event, and must execute, or, in the case of an event organized by an entity, have executed by an individual with the authority to bind the entity, a disclosure statement and release to be provided by the City's Risk Manager. This disclosure statement and release must be appropriately executed delivered to the City's Risk Manager at least one day prior to the event. Failure to comply with the requirements of this paragraph may result in the City's cancelation of the event.

Subject to the Risk Manager's determination, as described above, all events held on City property or in City facilities require general liability or special event liability insurance coverage with a minimum of \$1,000,000 per occurrence/\$2,000,000 aggregate coverage, with the following exceptions:

The following events do not require insurance:

- Academic related events (such as spelling/math/science)

- Award celebrations
- Banquets
- Bingo/card/board games (not for fundraising)
- Clubs and organizational meetings
- Celebrations (weddings, anniversaries, birthdays)
- Debuts
- Graduations
- Head of state events
- Lectures and reading events (other than product or service promotions)
- Luncheons
- Meetings of a social, academic, business or philosophical nature (other than fundraising)
- Recitals
- Reunions
- Seminars (other than product or service promotions)
- Social Receptions
- Teleconferences

Prior to commencement of the event, the event organizer must furnish the City with original certificates and amendatory endorsements effecting coverage required by this document. Such endorsements will include, without limitation, additional insured and waiver of subrogation naming the City of Knoxville, its officials, officers, employees, and volunteers.

Expressive Activity

“Expressive Activity” is any assembly, the sole or principal purpose of which is the expression, dissemination, or communication by verbal, visual, literary, or auditory means, of a particular opinion, view or idea, and for which no fee or donation is charged or required as a condition of participation in or attendance at such activity, including public oratory and distribution of literature.

Waiver of the insurance requirement shall be made if the event is solely for expressive activity, provided that the applicant has filed with the Risk Manager a verified statement that the applicant intends the special event purpose to be solely for a First Amendment expressive activity.

Self-Insurance

The City’s Risk Manager shall review all certifications of self-insurance for appropriateness, including any required documentation demonstrating financial solvency.

Certificates of Insurance

Background

The best proof of coverage is a properly executed endorsement to the insurance policy. It is not practical to require the endorsement for every event so the City allows certificates of insurance to be submitted in most situations. You should keep in mind, however, what an insurance certificate is not. Insurance certificates do not:

- Modify the insurance policy
- Automatically make the City an additional insured
- Provide coverage details
- Guarantee that the coverage limits stated are still available; they may have been exhausted by claims
- Provide the certificate holder any special rights
- Disclose how many other entities are sharing the limits

- Guarantee that coverage is still in place
- Place any obligation on the insurer to provide coverage

What a certificate does provide is information about the insurance in place at the point in time when the certificate was issued.

Most, but not all, certificates will be on an ACORD form. ACORD is an acronym for Agency Company Organized Research and Development, an industry-supported non-profit agency. Some certificates are specifically designed for the broker, insurance company, or insured.

Certificate of Insurance Checklist

If you have any questions or problems regarding any particular Certificate of Insurance, contact the City Risk Manager.

A common problem with certificates is that they have the City only listed in the box on the lower left side of the certificate titled *Certificate Holder*. This does not mean that the City is an additional named insured. It only means that the City has possession of the certificate. There must be additional language on the certificate that clearly states that the City is an insured. Sometimes this language is in the description and will say that the certificate holder is also an insured. There should be no special limitation on the additional insured status of the City. For example, a restriction that ties additional insured status only to claims arising out of the sole negligence of the event organizer does not confer the required coverage. The most recent standard certificates also include a second page that limits additional insured status and waiver of subrogation. Special attention should be paid to this wording as additional documentation will be required to meet the City's requirements. On certain occasions, it will be necessary to request a copy of the entire policy.

For a large event it may be advisable to require the event organizer to provide a list of its policies' exclusions. It is possible that the service being provided is excluded in the liability policy. For example, many policies exclude bounce houses and trampoline usage.

The name of the insurance company providing coverage is usually on the top right side of the certificate. The basic insurance requirements call for an insurance company with an A.M. Best Company rating of no less than A-. The A.M. Best's Key Rating Guide® is available in Risk Management. This guide provides an independent evaluation of companies' financial strength and operating performance. The basic insurance requirements are for a company with A.M. Best Company ratings of no less than A-.

The producer should be clearly marked on the certificate. In the event a claim occurs and the insurance company refuses to honor the certificate, the City may have a course of action against the errors and omissions (E & O) coverage of the producer (broker or agent).

The special event location to which a certificate applies should be identified on the certificate. In the event of a claim there should be no confusion that the described insurance applies to the activity, which is the subject of the agreement.

The *Cancellation* box on the lower right side of the certificate should be modified. The standard wording on the ACORD form and other certificate of insurance forms include language that the insurance company will endeavor to notify the certificate holder if the insurance is cancelled; i.e., the insurance company has no obligation to notify the City if the insurance is cancelled. This requirement may meet strong resistance from some insurance companies. The most recent ACORD form has changed this box, so special attention should be paid to make sure that notice of cancellation will be provided to the City. Endorsement or policy wording may be required to ensure that the City is given 30-days' notice of cancellation for anything other than non-payment. Special Event policies are for a specific date or set of dates. These policies are often purchased within a few days of the event or they are purchased and then cancelled within 2 or 3 days. Therefore, it should be understood that the insurance carrier cannot warrant notification of 30 days because it isn't always possible.

The aggregate limits shown on the certificate are the total limits available for all losses from all operations of the event organizer (or other named insured) during the policy term unless there are special policy endorsements to the policy. The limits apply to losses from other projects of the named insured, all premises rented or owned by the insured, and liability coverage contractually provided to other certificate holders. The limits for each occurrence must be at least as much as required by the agreement unless there is excess liability insurance to bring the coverage up to the required limits.

A policy number or binder number must be indicated.

The second page of the latest ACORD Certificate of Insurance limits the additional insured and waiver of subrogation language presented on the certificate. Because of this limitation, endorsements and/or policy wording should be required to verify that agreement provisions have been met. The endorsements or policies can be written on a blanket (each additional insured is not named) or specified (each additional insured is named) basis. Both are acceptable to meet the City's contractual requirements. An additional insured status or waiver of subrogation will include language that entities are included in coverage as required by a written agreement. Specified endorsements or policy language will name the City of Knoxville, its officials, officers, employees, and volunteers specifically for both additional insured status and waiver of subrogation.



**DISCLOSURE STATEMENT
AND
RELEASE OF LIABILITY AND INDEMNIFICATION AGREEMENT**

In consideration of the authorization of the City of Knoxville (the "City") for _____ ("Event Organizer") to use City property located at _____ (the "Property") for a special event occurring on _____, 202_ (the "Event"), the Event Organizer does hereby agree to release, indemnify, and discharge the City as follows:

1. The Event Organizer acknowledges that an inflatable ride owned, rented, or otherwise under the control of the Event Organizer will be used during the Event.

2. The Event Organizer affirms that it will assemble, install, set up, maintain, and use the inflatable ride pursuant to all applicable instructions, including instructions from the manufacturer or owner (if rented) of the inflatable ride for the entire duration of the Event Organizer's use of the Property.

3. The Event Organizer, on behalf of himself, herself, or itself, and its employees and volunteers, does hereby release and hold harmless the City and its employees, officers, agents, and assigns for personal injury, death, loss of income, property damage, or any and all damages to the Event Organizer, the Event Organizer's members or participants, and the participants of the Event that may occur as a result of the Event Organizer's transporting, assembling, installing, setting up, maintaining, and/or any other use of an inflatable ride on the Property or as a result of the negligence or omission of any party, including the City.

4. The Event Organizer will defend, indemnify, and hold harmless the City from and against any and all lawsuits, claims, liabilities, damages, losses, and expenses (including, but not limited to, court costs, reasonable attorneys' fees, and costs of claim processing, investigation, and litigation) for losses to spectators, bystanders, employees, volunteers, or other persons caused in whole or in part by the acts, errors, or omissions of the Event Organizer's activities in connection with inflatable rides on the Property or from the Event Organizer's failure to use a due and reasonable standard of care and skill ("Indemnified Claim"), except where such injury, damage, or loss was caused by the sole negligence of the City.

5. The Event Organizer will save, indemnify, and hold the City harmless and pay judgments that will be rendered in any such actions, suits, claims, or demands against the City with respect to any Indemnified Claim.

EVENT ORGANIZER

By: _____

Date: _____

STATE OF TENNESSEE
COUNTY OF KNOX

Personally appeared before me, a Notary Public of said County, _____, the within named individual, who provided satisfactory evidence of his/her identity, and who acknowledged that he/she executed the within instrument for the purposes therein contained.

Witness my hand, at office, this _____ day of _____, 202_.

Notary Public

My commission expires: _____