

# North American Horseman's Association

## Horsemen of North America Safety Control Risk Purchasing Group



### *Liability Insurance Program for* **Benevolent Horsemen's Associations and Clubs**

**Riding Clubs**  
**Hunt Clubs**  
**Trail Riding Clubs**  
**Endurance Racing Clubs**  
**Volunteer Mounted Units**

**Driving Clubs**  
**Pony Clubs**  
**Team Penning Clubs**  
**Western Game Clubs**  
**Search & Rescue Associations**

**Polo Clubs**  
**4-H Horse Clubs**  
**Breed Associations**  
**Horse Show Organizations**  
**Horseback Orienteering Clubs**

**B**enevolent horseman's associations and clubs exist for many purposes in the United States. Many are formed as local or regional riding, driving, and horse show clubs. Some are breed associations. Some have a primary volunteer purpose of horse rescue, search and rescue of people or mounted posses that serve as honor guards on behalf of a sheriff's department. Still others are common interest clubs that enjoy a specific activity with horses, such as endurance racing, team penning, gymkhana and games using horses. Whatever is the purpose of your association or club, it is an important part of the horse community and valuable for the promotion of and use of the horse.

Most associations and clubs (hereafter referred to as *club*) are benevolent, charitable organizations that have no intent to make a profit. The club's intent is usually to raise enough money to fund its activities, expenses, and the charities it supports. Whether your association is large

or small, is formed as a corporation or is not incorporated, has non-profit status or not, benevolent clubs function by conducting business activities. Because of this and the fact that horses are a key component of the activities, a club opens itself up to a potential for liability exposure and claims for bodily injury and property damage incurred by third parties (people who are not club members). Therefore, a Commercial General Liability Policy is a necessity to protect the club from financial loss due to liability.

Depending upon the exact nature of the club's activities, your club can likely be insured for a twelve month period by a liability insurance policy. This policy will generally protect the club from claims arising out of bodily injury and property damage incurred by non-member event spectators, non-member participants in club activities and events, and by the general public.



Though not pleasant to think about, the following are some examples of liability issues experienced by benevolent clubs:

1. Someone walking on your show grounds trips over a stake and suffers injury; 2. Your ring steward or judge allows a very poorly controlled and ill-prepared horse into the ring for class participation and it kicks at and injures another rider; 3. Your club rides in a parade and a horse panics and runs into a crowd of bystanders causing injury to several people and damage to several cars; 4. During a club sponsored trail ride horses trample and damage a portion of a farmer's crops; 5. The bleachers at a club sponsored clinic occupied by spectators collapses causing injury to many people; 6. At a club sponsored horse show a horse gets away and runs into a roadway to be hit by a car and the club is named in a related lawsuit for injuries to the driver of the car and damages the car. These and other types of accidents have actually happened and created expensive liability issues for clubs. If these or similar incidents occurred in relation to your club activities, your club may be responsible for significant legal expenses in addition to the cost of a judgment or settlement.

Before explaining what the club policy insures, it is especially important to understand who the club liability policy does and **does not** protect:

1. The club policy protects your club **as a body** from third party liability developing out of bodily injury and / or property damage incurred by **non-members**.
2. Because club members are "the club", **club members** are not insured under the club liability policy for bodily injury or property damage they or their families incur while at or in relation to a club sponsored event or activity. Therefore, **each club member and member family** must carry their own accident medical insurance to cover their bodily injuries. In addition, **club members** should insure their own personal property, such as saddles and

tack, horses, horse trailers, etc., for theft, fire, transportation, and other losses or damages at all times while at home and away from home.

3. The club policy does not provide liability protection for incidents occurring **between members**, such as when one member's horse kicks a car owned by another member, or one member's horse kicks another member. **Each member and member family** must carry their own personal or farm and horse liability insurance policy to insure them against damages they or their horses may cause to others, being sure the horses are insured both at home and while away from home.
4. Because club members are "the club", **club members** are not insured as individuals under the club liability policy for bodily injury and property damage they or their family members and horses may cause to any **non-members** while at or in relation to a club activity. Therefore, **each member and member family** must carry their own personal or farm and horse liability insurance policy to insure them against damages they or their horses may cause to others, being sure the horses are insured both at home and while away from home.
5. **Concessionaires, Clinicians, Instructors, and Others** who serve the club at events or in some other capacity by providing livestock for events, professional instruction at clinics or in some other way, or food & beverage services, horse carriage services, pony rides, etc. for club activities, must carry their own liability insurance policies and provide proof of such insurance to the club. In the case of **concessionaire-caused damages or bodily injury**, **only the club** would be protected for liability developing from the concessionaire's negligence if the club were legally drawn into a related law suit. The concessionaires would not be insured against liability under the club policy. A concessionaire should always have their own liability insurance policy to insure against the concessionaire's negligence, so that it is less likely for the club's policy to become the primary source and focus for insurance coverage in relation to the concessionaire's negligence.

## SUMMARY OF LIABILITY INSURANCE COVERAGES & ACTIVITIES INSURED

- 1) **Premises and Operations:** Premises meaning the premises on which meetings are held, including shows and other organized activities. Operations refer to the activities of and the administration of club business.





## Some common club operations follow:

**a. Member-Only Trail Rides, Clinics, Dances, Shows, Playdays, Open Houses and Meetings:** Club events and activities to which non-members are not invited and do not attend as participant and / or spectator are also referred to as "CLOSED EVENTS." Closed events are insured at no additional cost above the base premium. All club activities must be fully disclosed and described on the application for insurance, must be primarily horse related and pre-approved for coverage by underwriters.

**b. Public Day Events (Involving Non-Member Participation and / or Spectators):** Club events and activities to which non-members (the public) are invited to attend as participant and / or spectator are also referred to as "OPEN EVENTS". Open events are usually exhibits, open shows and competitions, fund raising events, and parade participation days. All club activities must be fully disclosed and described on the application for insurance, must be primarily horse related and pre-approved for coverage by underwriters. The club policy provides for up to 7 public day events per year. Each actual day counts for one public day. A per day charge is made for each additional day over 7.

**c. Fund Raising Events:** The club policy will insure most low-risk fund raising events. All club fund raising activities must be fully disclosed and described on the application for insurance and pre-approved for coverage by underwriters.

*(Note: If any fund raising activities involve adult or child "pony rides" or horse drawn vehicle rides, providers must follow the NAHA commercial risk reduction standards for those activities. Please ask for these standards from underwriters if your club intends to have these activities.)*

**d. Insures Non-Member Participants While In Competition:** Most club policies exclude bodily injury and property damage incurred by all individuals while participating in an event, whether a member or not. However, the policy provided by this program insures against bodily injury and property damage incurred by non-member participants in events and competitions.

**e. Volunteer Search and Rescue Activities:** Some clubs are primarily formed for the purpose of assisting local law enforcement in community volunteer efforts for search and rescue. This insurance program can usually insure these types of clubs. *(Note: Clubs that do this must have formal training sessions and a procedures manual.)*

**f. Officiating at Events:** Providing volunteer car parking assistance, mounted patrol, or acting as an honor guard at moderate size events. *(Note: Clubs that do this must have formal training sessions and a procedures manual.)*

**g. Rental or Loan of Club Facilities or Property:** If your club owns or leases property and rents it to anyone, this activity may or may not qualify for insurance under the club policy. Underwriters will question the types of activities, number of people attending the events, who will be renting, and the frequency of the rentals to determine qualification. In nearly every property rental case, underwriters will require your club to seek proof of liability insurance for the event from the renter and will want the club to be listed as an additional insured on the renter's policy.

**2) Products & Completed Operations Liability:** Coverage designed to protect against liability for injury, loss, or damage which a merchant may incur as a result of some defect in the product sold. Club related refreshment sales and bake sales are insured under this section of the policy.







### 3) Personal and Advertising Injury

**Liability:** Insurance coverage for liability arising from such acts as libel and slander, and invasion of privacy. It also includes injury caused by oral or written material that slanders a person, goods, products, services, or which violates the right of privacy. This insurance is important to clubs that advertise events and activities to the public.

4) **Fire Legal Liability:** Insurance coverage for damage by fire to a premise the insured rents or occupies for which the insured is legally liable. This insurance is important to clubs that rent property for occasional events and activities.

### 5) Hired Auto and Non-Owned Auto

**Liability:** This is an optional coverage that can be added onto most club policies for an additional premium. Insures policyholder club against liability incurred while driving an automobile not owned or hired by the policyholder or resulting from the use of someone else's automobile on the insured's behalf, such as an employee using a personal car for the employer's business purposes.

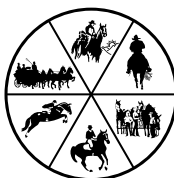
### Several Common Exclusions Contained in the Club Liability Policy:

- Medical Payments to Members Exclusion
- Liquor Liability Exclusion
- Firearms Possession, Maintenance or Use Exclusion
- Rodeo Participation Exclusion
- Double Riding Exclusion
- Law Enforcement Activities Exclusion
- Employee or Volunteer Bodily Injury Exclusion
- Canine Exclusion

**NAHA RISK REDUCTION PROGRAM STANDARDS** must be reviewed and the mandatory standards must be followed by all insured clubs and associations. Please request and refer to NAHA FORM 16 (2004 Version)

**NOTE:** *Personal Accident Insurance* is also available and is described and offered by NAHA as optional coverage and will usually be quoted in conjunction with the Liability Quote.

**NOTE:** *Directors & Officers Liability Insurance (D & O)* is not part of policies provided under the NAHA Association or Club Liability Program. However, your club may request an application and premium quote for a separate D & O Insurance Policy from underwriters at NAHA.



**North American  
HORSEMEN'S  
ASSOCIATION**

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More Insurable Horse Industry"*

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