

FACT SHEET: SPORTS AND RECREATION

Despite oft-repeated headlines decrying the country's obesity epidemic, Americans are more active than ever. Participation in outdoor activities grew by one million people in 2012, and 55% of the country considers themselves "moderately active," according to PubMed data. While that's great for businesses in the sports and recreation industry, the influx of participants also means heightened insurance liabilities. That's why it's critical to visit with an insurance agent who understands potential coverage gaps and how to tailor insurance to protect your business from risks like participant injury, volunteer embezzlement and abuse.

THE ESSENTIAL COVERAGE YOU NEED



General Liability Insurance: Your first defense against lawsuits, general liability insurance covers most lawsuits involving both participants and spectators.

General liability policies should include both your organization/business, directors, officers and volunteers.



Directors & Officers Liability: Some lawsuits may charge management with oversight, especially regarding hiring or firing practices. Even if you are innocent, D&O coverage can cover potentially expensive lawsuits.



Accident Insurance: Accident insurance covers medical bills on behalf of injured participants and patrons, and may even decrease a threat of a lawsuit.



Excess or Secondary Medical: In the event that accident insurance does not cover the full extent of a person's injuries, excess and secondary medical is essential.



Crime Insurance: Covering your business or organization in the event of embezzlement or theft, crime insurance is one policy you cannot do without.



Equipment Insurance: Whether it's damaged by vandalism or a severe weather event, the loss of your equipment will be covered by this policy or endorsement.

PARTICIPANT INJURY IS YOUR PROBLEM

When a participant or patron is injured, it may not matter if the injury was directly related to the activity or property.

You can still be held liable.

\$935 million: The average annual medical cost associated with sports-related injuries

36,700: The number of exercise or exercise equipment-related injuries in adults 65+ in 2011

\$4,700: The estimated average cost of treatment for a leg fracture in 10- to 19-year-olds

1.35 million people 19 and under, were seen in emergency departments with injuries related to sports and other activities in 2012

47% of concussions occur in children ages 12 to 15

Sources: CPSC, ASPE, SafeKids.org

WHERE YOUR COMPANY IS VULNERABLE

Volunteers: Embezzlement by volunteers is more difficult to trace than employee theft, and it can leave your sports or recreation organization in a world of hurt without the proper coverage.

Equipment: Playing equipment, uniforms, scoreboards, fences and bleachers can all become damaged as a result of theft, vandalism or weather events.

Injuries: Participant liability is a direct exclusion on most general liability policies. With sports injuries—particularly concussions—on the rise, you don't want to be left without an insurance payout.

Sexual abuse/molestation: It's a sensitive subject, but many general liability policies exclude this very important risk. Dangerous loopholes like this means any abuse on your premises or within your organization could come back to haunt you to the tune of \$300,000 or more.

BUSINESS ACTIVITIES MOST AT RISK

- Youth sports/recreation organizations
- Health clubs/gyms/rec centers
- Youth sports camps/tournaments
- Family fun centers/bowling alleys
- Seasonal and themed attractions

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