

Off Site Training or Special Events – What are my Liability Issues?

Has your club ever sponsored an event that was held “off site”? Does your club promote group outdoor running classes or bicycle events? Many health clubs and their trainers take their clients out of the confines of club environment. It is a growing trend and it is a great way to break the monotony of stationary cardio workouts. Outdoor events are an excellent method of promoting group participation and may even help improve member retention. However, outdoor events can also increase your exposure to liability claims. The bad news is, your insurance company may not cover you when one of your members is injured while participating in these off site events.

An aerobics instructor at a club recently took her class participants on a surprise jog around a nearby park next to the fitness center. It was a beautiful day and she thought the altered scenery would be a nice change of pace. Everyone in the class agreed so off they went. One of the members tripped and fell during the run and fractured her wrist. Unfortunately the member had no health insurance and eventually contacted an attorney who went on to sue the club. The attorney held that the club was negligent for changing the expected workout environment thereby increasing the potential hazards resulting in his client’s injuries. Even though the member freely agreed to participate in the event and liability is questionable, at best, the club owner still found himself having to hire an attorney to defend the club. This particular club owner had purchased an insurance policy that contained a “designated premises” endorsement. In other words, since the injury did not occur at the location listed on the policy the claim was denied by the insurance company.

This is just one example of the potential problems of conducting your business at a location other than the premises noted on your insurance policy. Club owners also often contract with local high schools and community centers to offer training services or fitness instruction at these locations. Many club owners don’t find out about this potential gap in insurance coverage until the high school or city government requires that the club provide a certificate of insurance naming them as an additional insured.

It is not only important to check with your insurance agent to find out if you have coverage for off site activities, you should also have the members or participants sign a “special event” waiver to further help protect the club from litigation. Generally speaking, as long as the event or activity held off premises is “fitness” related, your insurance company should not have a problem with covering this exposure and many companies will not charge a premium to provide a certificate of insurance confirming this coverage. Where you could run into problems is if you are sponsoring events that fall outside of the scope of exercise or fitness. For example, outdoor rock climbing, although considered to be excellent physical exercise, is likely to be an event that your insurance company will not be able to cover under your standard health club policy. River rafting and canoeing would also present unique underwriting problems that would require special consideration in the insurance market.

Here are a few easy steps you should consider when engaging in off premises events.

- 1) Call your agent to let them know what type of off site events you plan to promote during course of the year.
- 2) Make sure you do not have a “designated premises” endorsement on your policy.
- 3) Everyone who participates in these off premises events should sign a “Special Event Waiver”.
- 4) Keep the events safe. Leave the obstacle course jungle training challenges to the “Fear Factor” folks.
- 5) Never transport members to an off site event. Everyone should take their own cars or you can contract with a private transportation company (buses or vans). Be sure to get a certificate of insurance from that transportation company verifying that they have auto and general liability insurance coverage.

It is always important to call your agent whenever you engage in any activity both in and out of the health club if that activity falls outside of your club’s normal operations. Also, if you have companies or individuals that come into your club to promote a service, demonstration, body fat testing, etc, be sure to require that these entities provide you with a certificate of insurance naming the club as an additional insured.