

Events at The Colleges – Why We Require Insurance

It is important to note that the insurance is for the benefit of the facility user as much as it is for the College. Facility users must sign an agreement which has an indemnity agreement that requires the Event Holder to indemnify and defend the College for any loss or damage caused by the Event Holder or anyone in their party. The insurance gives them the financial wherewithal to meet that obligation. It also gives them the financial means to meet other personal risks. For example, if someone tripped over an electric extension cord that the Event Holder brought to run the slide projector, a person who tripped over the cord might sue the Event Holder as well as the College. If someone has a wedding or party, and leaves drunk, the Event Holder is at risk for host liquor liability (automatically covered under the TULIP for non-sales service). If they purchase third party property damage, they will be covered up to the purchased limits if someone in their party breaks furniture or damages other College property. The medical payments coverage (also an additional premium, but very small) will give the facility user emergency payments money to help someone who trips and falls to get emergency medical care without worrying if the person has health insurance. This kind of payment can often stay a more serious claim, as the injured person's out-of-pocket expenses are met.

There are obvious reasons for the College to require insurance. The College uses a contract for facility use that includes both an insurance requirement and an indemnity clause. This gives the College protection for risks that are not associated with its core business (e.g. a seminar presenter runs a cord across an aisle to plug in a projector, and someone trips and falls, injures himself, and then sues the College; a person leaves an event drunk, causing a serious accident, and the College is sued for host liquor liability. Even if the claims are not successful, defense costs can be very high. The College also has a guarantee of protection for property damage done to its facilities by the facility users if it requires property damage insurance, (an additional premium under the TULIP).

As we have discussed, the URMIA TULIP is just an option for College facility users. Businesses are likely to already have insurance that covers these exposures. It used to be very easy for people to get this coverage under their homeowner's policies, and this is still a viable option with some insurers. Facility users can also check with their personal insurance agent for alternatives.