



BETRAYED BY A LACK OF COVER

by Gary Flynn at JLT Specialty

One area where we are seeing an increasing number of requests for assistance is in respect of the insurance policies purchased by the local organising committees for World Championships and other major events.

The most common approach for an International Federation (IF) is to make it the responsibility of the appointed local organiser to affect the necessary insurances. The particular emphasis here is usually on Event Liability, which covers against the bodily injury or property damage to anyone in attendance at the event. This requirement is written into the Host Agreement with an added stipulation that the IF is named on the policy. Event Cancellation Insurance covering the local revenue is also left to the organisers, and is often recommended rather than compulsory.

It has become very apparent for many IF's that this locally purchased cover is frequently inadequate or non-existent. In the event of a claim being made this could result in the following problems:

- The local organiser/National Association may not have sufficient access to funds to afford the defence of a claim or pay any subsequent damages. Potentially this could result in the National Association being unable to continue trading
- The IF ends up having to fund the defence of the claim and/or pay damages. This is a particularly significant issue for those IF's who are relying on the organiser to effect such cover and do not have any protection of their own.
- The reputation of the sport could be badly affected in the case of serious injury and the press find out that the organisers have failed to effect appropriate insurance protection
- The future development and/or continuation of the sport in that territory could be put in jeopardy under these circumstances. The failure to purchase Cancellation Insurance for the event could also have this effect.

JLT have monitored local organisers cover on behalf of some of its clients and worryingly an estimated 85% of the policies reviewed have not met the standards required for an international event. In some cases the IF have changed their rules as a result and have taken control of the provision of such insurance on behalf of their organisers, which is written into both the bidding stage and final host contract.

We have developed a range of solutions to address this issue on behalf of the IF's and to ensure that they are adequately protected. Please contact us for further details.

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