MONTANA MUNICIPAL INTERLOCAL AUTHORITY
PO Box 6669
Helena MT 59604-6669

RISK MANAGEMENT BULLETIN

Please distribute to all appropriate personnel and post in a conspicuous place.

Date: June 19, 2023 **RM Bulletin #06-23**

To: MMIA Member-Owners

From: MMIA

RE: Special Event Coverage

What is Special Event Coverage?

Special Event Coverage is an insurance policy that covers the Event Holder for their liability while conducting an event or operations on municipal property. Typical examples of an event are farmer's markets, concerts, sidewalk sales, weddings & receptions, car shows, sporting events, etc. The Special Events Policy is purchased by the Event Holder. The policy is not part of the MMIA Liability Program. MMIA has coordinated with the Independent Insurance Agents of Montana to provide Member-Owners with an insurance resource for Event Holders seeking insurance products to cover an event.

Why is it relevant to a Municipality and an Event Holder?

We are often asked if there are any concerns the municipality should be aware of, and how the municipality should limit their exposure to events it is not sponsoring or controlling. MMIA has always maintained that if exposures are created by others who are using municipal property and if you (the city/town) can't control the outcome, then you should transfer that exposure back onto the Event Holder. If you can't control the outcomes, you can't manage the risk. If you can't manage the risk, you should require the Event Holder who can manage the risk, to assume the exposure by accepting the liability for the event and providing insurance for the event at their own expense.

How does it protect the Municipality?

Anytime an Event Holder wants to use municipal property for their own event there is a risk of injury to an event attendee or an innocent by-stander. Their event could also cause damage to municipal structures and property. Requiring the Event Holder to secure a liability policy for their operations reduces the likelihood the municipality's MMIA coverage will have to respond, therefore limiting the negative financial effects on the Member-Owners' claim experience. Naming the municipality as an Additional Insured on all Event Holder policies extends coverage under that policy to the municipality for injury and damage to property caused by the negligent acts of the Event Holder. The municipality is automatically added as an Additional Insured when insurance is purchased through an authorized Special Events Agency.

How does it protect the MMIA Pool?

MMIA has 126 Member -Owners in the Liability Program. Requiring a Special Events policy to be purchased by all Event Holders significantly reduces the possibility that the MMIA Liability program would encounter the negative financial impacts of multiple claims, by multiple Event Holder operations, in multiple municipalities during any coverage year.

How does it protect the Event Holder?

A Special Events Policy, purchased by the Event Holder, would provide liability insurance for injuries to others or damages to property of others, caused by the Event Holder's negligence. Without a policy in place, the Event Holder would be solely responsible for injury and property damage to others. The financial impacts to the Event Holder could be catastrophic. Furthermore, there would be a strong possibility MMIA would have to defend a suit brought against the Member-Owner if an injury were to occur during the uninsured event on municipal property. MMIA would then be obligated to subrogate against the Event Holder to recover the monetary loss sustained in a suit. The MMIA Liability Program was never intended to cover the operations of an Event Holder, which are not under the direct control of the Member-Owner.

This bulletin is published as a service to our member-owners. The bulletins are not a substitute for the Memorandum of Liability, Property or Workers' Compensation coverage or other coverage documents. All coverage determinations are made on a case-by-case basis and can only be viewed on the unique facts of the claim presented.

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How do I connect the Event Holder with this coverage?

Find an Authorized Special Events Agency here.

Can the Event Holder purchase higher Liability limits? (Liquor Liability is excluded)

Yes, the basic liability limits are $1,000,000 per Occurrence / $2,000,000 General Aggregate.

For an additional charge, liability limits can be increased to:
$1,000,000 Per Occurrence / $3,000,000 General Aggregate
or
$2,000,000 per Occurrence / $2,000,000 General Aggregate

Can the Event Holder purchase Liquor Liability?

Yes, Special Event Coverage provides an option to purchase a separate Liquor Liability limit of $1,000,000 per Occurrence.

How much would this cost?

(Estimates are based on coverage purchased between 10/1/2022 and 10/1/2023. Quotes are typically ready within business 5 days.)

Example 1:
One day Wedding & Reception at the park for 250 people.
No increased Liability Limits
No Liquor Liability coverage
Premium: $119

Example 2:
One day Wedding & Reception at the park for 250 people.
Increased Liability Limits to $1m Occ / $3m Agg.
Liquor Liability with separate $1m Occurrence limit.
Premium: $195

Who is the Insurance Company providing the policy?

Evanston Insurance Co.
A.M. Best rating: A+ (Excellent)
Standard and Poors 500 Rating: A (Strong)

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