ARIZONA
MUNICIPAL
RISK
RETENTION
POOL

Insurance Overview

Coverage/Certificates/Contract Language/Special Events

Arizona Municipal Risk Retention Pool

How Insurance Operates

Insurable Interest

The person or entity that would suffer a loss if there is a claim is the only person or entity that can purchase insurance.

Example:

- You can’t insure property you don’t own
- You can’t insure the liability of someone else.

How Insurance Operates

Additional Insured Status

If someone is working on your behalf or holding an event on your property, you can become involved if they cause a claim

Being additionally insured on their policy means their policy will defend you and pay on your behalf

How Insurance Operates

Additional Insured Status

In order to be named as an additional insured on a policy, the policy must be amened and that must by done by an endorsement issued by the insurance carrier (not the agent).

How Insurance Operates

Additional Insured Status

It is very common today, for an insurance carrier to require that you have a written contract or agreement with a vendor before they will endorse a policy to grant you additional insured status

How Insurance Operates

Primary and Non-Contributory

All insurance policies have an “Other Insurance” clause and in most cases that clause will state that their coverage is excess

When their policy and your policy are both excess, you could end up paying the claim on a pro-rata basis unless you require their insurance to be primary

How Insurance Operates

Waiver of Subrogation

Subrogation is a legal concept where one party takes over the rights and claims of another party. This often occurs in insurance contexts, where an insurance company, after paying a claim to its insured, steps into the shoes of the insured to pursue recovery from the party responsible for the loss

How Insurance Operates

Waiver of Subrogation

For example, if your car is damaged in an accident caused by another driver, your insurance company might pay for the repairs and then seek reimbursement from the at-fault driver's insurance company. This process helps ensure that the responsible party ultimately bears the cost of the damage.

How Insurance Operates

Waiver of Subrogation

Another example would be for Workers' Compensation. You hire a vendor and the employee trips in the parking lot. The employee makes a WC claim and then the WC carrier for the vendor makes a liability claim against you for reimbursement of their claim

How Insurance Operates

Waiver of Subrogation

Insurance polices allow you to waive subrogation as long as the request it made and agreed to, before there is a claim.

Note: This does not relieve you of independent negligence it simply means the vendor carrier agrees not to pursue you

Who is Covered by AMRRP

- The AMRRP Member (City or Town)
- City/Town Council
- City/Town Employees – Scope of Duty
- City Town Volunteers – Unpaid, working for the City/Town under direct supervision.

Who is Not Covered by AMRRP

- Vendors
- Tenants
- Contractors
- Sub-Contractors
- Participants in Special Events

Certificates of Insurance

When do you need a certificate of insurance?

- When hiring an independent contractor
- When using vendors
- Use of municipal facilities for special events such as weddings, anniversary or birthday parties where there is a large group and possibly catered food and liquor etc.
- When there is an activity excluded by AMRRP

Special Event Exclusions

- Mechanically operated amusement devices;
- "Mobile equipment", "auto", snowmobile, motorcycle or other item in or while being prepared for any racing, pulling, pushing, speed, demolition or stunting activity;
- Rodeos;
- Fireworks displays or exhibitions;
- Ski facility;
- Climbing wall;
- Trampolines, bounce houses and other similar rebound device(s)
- Skateboard facility or skateboard activity.
- All inflatable devices unless specifically approved and endorsed on the policy by representative of the pool

Special Event Exclusions

Events that can be added back

- Fireworks (with underlying $1 million dollar policy)
- Skateboard Park
- Climbing Wall
- Liquor Liability

Evens that can be brokered

- Air Show/hot air balloons
- Rodeo (when you do your own rodeo)

Events that would be difficult or unable to cover in any way

- Mechanical devices
- Bounce houses
- Racing, pulling, etc. events

GatherGuard Program

- Addresses liability issues
- Purchased online
- City/Town automatic additional insured
- City/Town gets email notification
- City/Town gets actual policy
- No need to get COI or endorsement
- Basic limit is $1 million with no deductible
- Higher limits can be purchased
- Covers damage to your facility

Questions/Comments/Discussion?

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