



**ASN Canada FIA**  
2010/2011  
Insurance Program



## **Summary of Insurance Coverage**

### **April 1, 2010 to April 1, 2011**

This summary provides an overview of the insurance for affiliated territories, regions, organizations, clubs and members in good standing with ASN Canada FIA.

Insurance is only available to affiliated, incorporated "not-for-profit" Clubs, Regions and Territories.

This summary provides information about the policy coverage, exclusions, conditions and terminology.

All situations cannot be provided for in a policy summary.

ASN Canada FIA does not provide copies of the insurance policies associated with this insurance plan.

Please address enquiries in writing to:

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The ASN Canada FIA insurance plan consists of three sections:

Section 1 **Comprehensive General Liability**

Section 2 **Participant Accident**

Section 3 **Director's and Officer's Liability**

## Section 1 - COMPREHENSIVE GENERAL LIABILITY

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This policy provides broad protection for situations in which an **insured** must defend itself against lawsuits or pay damages for bodily injury or property damages.

Who is an insured?

1. ASN Canada FIA, its territories and regions, member clubs within those territories and regions, and any other entity or entities affiliated to ASN Canada FIA, their officers, directors, employees, agents, contractors, members, officials, competition vehicles owners, crew members, sponsors and advertisers who display the name or names or their products or services on competition vehicles participating in an event or whose name or names are associated with such an event, owners and lessees of premises used to conduct such events, their respective heirs, executors, successors and assigns.
2. Any person or organization engaged in operating, managing, sanctioning, or sponsoring the covered program or providing the premise for a covered program including officials of the covered program.
3. Any participant, competition vehicle owners and competition vehicle sponsor.
4. Volunteers.

*Note: the coverage provided for an insured is only in respect to the operations of the named insured.*

*In the case of this policy, the operations of the named insured are sanctioned activities of ASN Canada FIA.*

## DESCRIPTIONS OF COVERAGE

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BODILY INJURY	Means any physical harm, including sickness or disease to the physical health of other persons. It includes any of the following that results at any time from such physical harm, sickness or disease: Mental anguish, injury or illness; Emotional distress; Care, loss of services, or death.
PROPERTY DAMAGE	Means physical injury to tangible property, including the resulting loss of use of that property or the loss of use of tangible property that is not physically injured.

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<b>PERSONAL INJURY</b>	<p>Means injury, other than bodily injury, arising out of one or more of the following offenses:</p> <p>False arrest, detention or imprisonment;</p> <p>Malicious Prosecution;</p> <p>Invasion of privacy, right of privacy, humiliation, discrimination, harassment, wrongful eviction, wrongful entry, trespass;</p> <p>Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;</p> <p>Emotional upset or defamation of character;</p> <p>Oral or written publication of material that violates a person's right of privacy.</p>
<b>ADVERTISING INJURY</b>	<p>Committed in the course of your advertising activities, means injury arising out of one or more of the following offenses:</p> <p>Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;</p> <p>Oral or written publication of material that violates a person's right or privacy;</p> <p>Misappropriation of advertising ideas or styles of doing business;</p> <p>Infringement of copyright, title or slogan.</p>
<b>CONTRACTUAL LIABILITY</b>	<p>Provides coverage for claims arising out of liability that has been assumed by the insured under a written or oral contract.</p>
<b>PRODUCTS / COMPLETED OPERATIONS</b>	<p>Protects against financial loss arising out of legal actions incurred by a manufacturer, merchant or distributor because of injury or damage resulting from the use of a covered product.</p>
<b>LIQUOR LIABILITY</b>	<p>Provides coverage for bodily injury or property damage for which you may be held liable by reason of:</p> <p>causing or contributing to the intoxication of any person;</p> <p>furnishing alcoholic beverages to a person under legal drinking age or under the influence of alcohol.</p>
<b>FOOD AND CONCESSION LIABILITY</b>	<p>See products liability.</p>
<b>MOBILE EQUIPMENT LIABILITY</b>	<p>Provides coverage for any land vehicle that is designed for use primarily off public streets or roads or kept for use only on or next to premise controlled by you.</p>

<b>INCIDENTAL MEDICAL MALPRACTICE LIABILITY</b>	Means the rendering of or the failure to render necessary first aid on premises owned, operated, occupied, or controlled by any insured person who is not in the business or occupation of providing health care professional services.
<b>TENANTS LEGAL LIABILITY</b>	This insurance applies only to property damage to premise owned or rented to you, or occupied by you. Subject to a limit of \$1,000,000 per occurrence.
<b>PREMISE</b>	Defined as the buildings, other structures and land where the insured operation is conducted.
<b>OPERATIONS</b>	Defined as the activities that are usual and customary to your business as sanctioned by ASN Canada FIA.
<b>PARTICIPANT TO PARTICIPANT LIABILITY</b>	This coverage responds to and defends the insured in a lawsuit being made against you by a participant in a sanctioned event. This coverage will not apply to events where no system is in effect to collect waiver and release forms from persons entering a restricted area.
<b>NON-OWNED AUTOMOBILE LIABILITY</b>	This coverage provides legal liability for bodily injury to or death of any person or damage to property of others not in the care, custody and control of the insured. This coverage does not cover physical damage to the insured owned vehicle nor does it replace or substitute for the vehicle owner's liability insurance..

## POLICY EXCLUSIONS

The insurance does not apply to:

1. Events and/or activities not sanctioned by ASN Canada FIA.
2. Concerts.
3. Amusement devices (mechanically operated).
4. Intended or expected injury or damage-does not include bodily injury that results from the use of reasonable force to protect people and property.
5. Any obligation of the insured under workers compensation, disability benefits or unemployment compensation law or similar law.
6. Bodily injury to an employee if the insured arising out of and in the course of employment by the insured.
7. Employment Related Practices.
8. Bodily injury to any person injured in the restricted area from which you have not obtained a valid release and waiver form.
9. Bodily injury to any person under the age of majority in the province in which the event is held who is injured in a restricted area from which you have not obtained a valid release and waiver form signed by the minor's parent or legal guardian.

10. Bodily injury or property damage arising out of the ownership, use or operation by or on behalf of any insured of:
  - a) any automobile, motorized snow vehicle or its trailers  
**(other than competition vehicles or official vehicles during a covered program while on the premises)**
  - b) any vehicle which if it were to be insured would be required by law to be insured under a contract evidenced by a motor vehicle liability policy, or any vehicle insured under such a contract, but this exclusion does not apply to the ownership, use or operation of machinery, apparatus or equipment mounted on or attached to any vehicle while at the site of the use of or operation of such equipment
11. Watercraft.
12. Aircraft, air cushion vehicles.
13. Property damage to property you own, property you sell or give away.
14. Property in your care, custody and control.
15. Property damage to property owned by, leased to, rented to or used by any participant or your employee when in any restricted area.
16. Property damage to your product and property damage to your work.
17. Bodily injury or property damage due to the rendering or failure to render any professional services by you or for you.
18. Pollution liability.
19. Nuclear liability.
20. War and terrorism.
21. Asbestos.
22. Deliberately breaking the law.
23. Wrong description of goods, products or services.
24. An offense committed by an insured whose business is advertising, broadcasting, publishing or telecasting.

## MOTORSPORT INSURANCE TERMS

COMPETITION VEHICLE	Means any self-propelled or land motor vehicle on the premises for the specific purpose of competing or performing in a covered program.
COVERED PROGRAM	Means any event which is usual and customary to you and is sanctioned by ASN Canada FIA. Covered program includes registration and technical inspections on or off the premises.
OFFICIAL VEHICLES	Means vehicles on premises which are allowed access in the restricted area. An official vehicle includes, but is not limited to, an ambulance, fire truck, tow truck, pace car, communication workers car, physician car, course or safety marshal's car or any other substitute vehicle.
PARTICIPANT	Means any person that you grant permission to enter the restricted area but only if the person has clearly defined duties directly allotted to them as respects to a covered program and the person is within the restricted area.
PREMISES	Means the event course, road buildings or structures adjacent to the event course, official registration or inspection locations and/or any declared location.
RESTRICTED AREA	Means any area requiring special authorization, credentials or permission to enter and to which admission by the general public is restricted or prohibited.

## SPECIAL MOTORSPORT COVERAGE

**No exclusion for any vehicle while being used in any speed or demolition contest or in practice, preparation for any such contest.**

**No participant exclusion.**

**Automatic broad additional insured endorsement.**

Additional Insured-Medical Professional Employees and Volunteers	<p>Policy is amended to include as additional insured any of your employees or volunteers working on your behalf who are physicians, surgeons, nurses, medical technicians, paramedics, trainers, ambulance drivers or attendants. Bodily injury or personal injury arising out of providing or failing to provide professional health care services to limited to:</p> <p>\$5,000,000 limit of liability per occurrence; \$5,000,000 limit of liability annual aggregate.</p>
Errors and Omissions Liability	<p>Pay those sums that the insured becomes legally obligated to pay as damages because of Wrongful acts. This is limited to:</p> <p>\$250,000 limit of liability per occurrence, subject to \$1,000 deductible; \$250,000 limit of liability annual aggregate.</p>

<b>Limited Fireworks</b>	Insurance coverage does not apply except when the entity or person performing the fireworks has and maintains valid and collectable commercial general liability insurance that covers fireworks in the amount of at least \$1,000,000 and you are named as an additional insured on all liability insurance issued to the entity or person performing the fireworks.
<b>Participant's Property Damage Legal Expenses</b>	The policy will indemnify you for ninety percent of the actual costs of claim investigation and legal defense for claims brought against you alleging damage to the property of participants subject to \$100,000 per occurrence with \$1,000 deductible and subject to a limit of \$100,000 annual aggregate.
<b>Temporary Ambulance Coverage</b>	The registered owner or driver of the temporary ambulance is added as an additional insured with respect to liability arising out of your premise or operations performed by you or on your behalf.
<b>Fire Suppression Costs and Expenses</b>	Coverage to pay for fire suppression costs and expenses that the insured becomes legally obligated to pay under a forest fire prevention act or any other similar legislation enacted in any province in Canada. Subject to: \$1,000,000 per occurrence, \$2,500 deductible; Subject to a \$1,000,000 limit annual aggregate.
<b>Legal Liability for damage to Hired Automobiles</b>	Covers for damage from the care, custody and control of automobiles hired or leased from others used under the control of the Insured in the business of the Insured but shall not include any automobile owned in whole or in part by or licensed in the name of the Insured, or any partner, officer, or employee of the Insured. Subject to: \$100,000 per occurrence, \$1,000 deductible.

## Section 2 - PARTICIPANT ACCIDENT

This insurance provides coverage per the schedule of benefits to participants that are injured in sanctioned events of ASN Canada FIA

<b>ACCIDENTAL DEATH AND DISMEMBERMENT</b>	Coverage for the accidental death, or the loss of limb or limbs as a result of participating in sanctioned event. Limit: \$50,000
<b>ACCIDENT REIMBURSEMENT</b>	Coverage for medical expenses (doctor bills, ambulance, hospital and medication bills) incurred as a result of an injury while participating in a sanctioned event. This coverage is written on an excess basis over any other valid and collectable medical insurance that the injured participant might have available to them. Limit: \$15,000, Deductible \$1,000

<b>WEEKLY INDEMNITY</b>	This coverage will pay, after a 7-day waiting period, a weekly sum of \$200 for lost wages incurred by the participant (if at the time of injury they were gainfully employed) if they are unable to work as a result of injuries incurred during a sanctioned event. The payment will be paid for up to 104 weeks.  Limit: \$200 week for 104 weeks after 8th day waiting period
<b>REQUIREMENTS</b>	Must be a participant at the sanctioned event and have signed the appropriate waiver and release. Must contact officials of sanctioned event before end of the event to report an accident, which might give rise to a claim.
<b>FILING/BENEFIT PERIOD</b>	Must receive first medical treatment within 30 days of accident. Must report.
<b>EXCLUSION / LIMITATIONS</b>	No coverage is provided for workers compensation related injuries, alcohol/narcotic related injuries, eyeglasses/contact lenses, dentures, crowns or caps, suicide, intentional/self inflicted injury, illness, unless developed as a result of the covered accident, pre-existing conditions/ Reimbursement is limited to charges which do not exceed those generally charged for similar medical or dental care.
<b>DEATH BENEFIT</b>	Death benefit claims are made payable to the estate of the deceased.

## Section 3 – Director’s and Officer’s Liability

*Note: the coverage provided for an insured is only in respect to the operations of the named insured and for not-for-profit organizations.*

*In the case of this policy, the operations of the named insured are sanctioned activities of ASN Canada FIA.*

### **Directors’ and Officers’ Liability**

Directors and Officers can be sued as they have a fiduciary duty to the corporation, employees, volunteers, shareholders, creditors, and the government as stated in statute and bylaws. There are over 200 applicable bylaws and statutes that hold Directors or Officers personally liable for financial loss to any of the above stakeholders. For example: the Competition Act, the Income Tax Act, and the Canadian Corporation Act.

Directors’ and Officers’ Liability Insurance provides **protection for individual Directors and Officers (D&Os) and for the Corporation they represent**, as follows:

1. It will pay on behalf of the individual D&Os, all damages and expenses that they become legally obligated to pay and which can’t be indemnified by the Corporation; or
2. It will pay on behalf of the Corporation, for claims against the D&Os where indemnification is required or permitted.

The policy provides coverage for damages, judgments, settlements and costs, costs of investigation and amounts incurred in the defence of legal actions, claims or proceedings and appeals arising therefrom.

## Duties of the D&Os

This type of coverage has become critically important in managing a company's business affairs and in attracting and retaining Directors and Officers. In overseeing all aspects of an organization's operations, D&Os must maintain the ideals of:

- **Obedience** — to the terms of the organization's bylaws and constitution, as well as the applicable statutes;
- **Loyalty** — to the best interests of the organization;
- **Diligence** — to act with the care that a reasonable person in similar circumstances would exercise when in a similar situation.

In addition, the **Business Judgment Rule** requires that D&Os act on an informed basis, in good faith and in the best interests of the organization.

## The consequences

The breach, or alleged breach, of any of these principles, if it leads to financial loss for any of a company's stakeholders, could be grounds for a legal action. Any financial damages awarded can lead to personal financial liability for D&Os.

**Liability can rest with an individual Board member, or the entire Board, as a consequence of a single director's actions or inaction.**

## D&O insurance protects the assets of the corporation

While most bylaws allow for the indemnification for D&Os for losses they incur while acting in their capacity as D&Os, a compelling reason to obtain D&O insurance, in addition to that, is when the Corporation is unable to indemnify D&Os for their costs, expenses, damages, judgments or settlements. For example, **a Corporation will not be able to indemnify:**

1. when it is financially impaired and does not have the funds available for indemnification,
2. when defending a derivative action (usually a shareholder lawsuit), since those actions cannot be indemnified by the Corporation without court approval, or
3. unless the director or officer acted honestly and in good faith with a view to the best interests of the Corporation.

Furthermore, D&Os have a fiduciary duty to the shareholders to protect the assets of the Corporation. When indemnification takes place, the assets of the Corporation are eroded. A D&O Policy ensures that the assets and, therefore, the shareholders' investments, are preserved.

## Expanded Cover For Non-Profit Organizations

**For charitable organizations and other selected not-for-profit organizations,** expanded coverage may be available through insurance policies designed for Non-Profit Corporations. These products not only protect D&Os, but also all trustees, volunteers, employees (whether salaried or not) and members of any duly constituted committee of the Corporation. Furthermore, in some such policies the entity itself is protected — a coverage not offered under a Directors' and Officers' Liability and Corporation Reimbursement Insurance Policy.

## Employment Practices Liability

Employment Practices Liability Insurance (commonly known as EPL) is a fast growing product line in the Corporate Risk Management tool box. EPL refers to the liability stemming from discrimination in the workplace, sexual harassment and other employment-related practices and conduct that may give rise to legal liability. An EPL claim is brought against employers or fellow employees, by other employees, and the

claims relate to employment conduct, policies or conditions. A typical claim in Canada could include:

- complaints before a federal or provincial human rights tribunal involving workplace discrimination based on sex, race, colour, ancestry, place of origin, political beliefs or some other prohibited ground,
- complaints before the Courts or federal or provincial tribunals involving either sexual harassment or sexual abuse in the workplace,
- lawsuits in the Courts relating to defamation or negligent supervision of the workplace, resulting in sexual harassment,
- complaints before a federal or provincial Labour Relations Board relating to hazardous chemicals or substances
- complaints before a federal or provincial Labour Relations Board relating to wages or other employment standards.