



# U.S. Rotary Club & District General Liability Insurance Program Managing Special Event Risks

The information presented below was adapted from materials published by the Nonprofit Risk Management Center. The Center is a nonprofit that was established to help other nonprofits address risk management, liability and insurance issues. The Center offers a wide range of free and affordable resources through its web site—[www.nonprofitrisk.org](http://www.nonprofitrisk.org)—and also provides free technical assistance to organizations contacting the organization by telephone or email. Visit the Center's web site for information on the resources available to your Club.

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When planning special events, your club needs to consider what can go wrong. What harm can come to your critical assets – the people, income, reputation and goodwill of the organization?

**Risk Management** is the proactive discipline that deals with the possibility that some future event will cause harm. Everyone can practice sound risk management by asking and answering three basic questions:

- What can go wrong?
- If something goes wrong, how will we respond?
- If something happens, how will we pay for it?

### **What tools can each Rotary club use to manage risk?**

**Avoidance** occurs when your club decides not to conduct an event. Avoidance is useful when it is determined that the risks outweigh the benefits.

**Modification** occurs when your club changes one or more aspects of an activity to make it acceptable in terms of the risk taken.

**Retention** occurs when your club retains risk by accepting all or a portion of the risk(s) associated with an event or program and prepares for consequences of that risk(s).

**Sharing** occurs when your club and another organization agree in writing to accept responsibility for some portion of the harm that might result from an activity.

### **These ten steps will help your club plan, prepare for and run a safe event:**

1. **Establish goals** that clearly state what the goal(s) of your event. These may include: avoiding event cancellation, maintaining certain levels of profit, operating legally, reducing anxiety about risk, or fulfilling social responsibilities.
2. **Designate key personnel** to be the safety committee. Depending on the size of the event you should designate either an individual (and a backup) or a group of people headed by decision-maker leader to address safety issues.
3. **Focus on safety** by recognizing safety at your event as an essential element of a successful event. The failure to ensure safety could have a long-lasting or permanent effect on the viability of your club. While focusing on safety requires time and energy, the payoff is greater assurance that your event will not be derailed but achieve its goals. Every Rotarian and volunteer must be committed to safety.

#### 4. Identify and evaluate risks specific to the event

- a. *Facilities selection & management.* Conduct a safety inspection prior to the event, during the event, and immediately following the event. The inspection should be documented by videotape or photographs, which should help resolve any future claims.
- b. *Food and alcohol.* Many special events involve serving some type of food and alcohol. If your club contracts with a caterer, most of the risk can be transferred to the caterer through a written contract. You should be aware of the laws in your community and state regarding the serving and selling alcohol. Remember that not all risk can be transferred to another party; the reputation of your club in the community could be severely damaged in an event of an alcohol-related accident.
- c. *Entertainment.* Obtain certificates of insurance from those providing entertainment so that your club is not held financially responsible for any damage caused by entertainers. Keep in mind that a “name” entertainer may place additional stress on your security and crowd control measures.
- d. *Transportation and parking.* Advise your attendees that they park their vehicles at their own risk. In case of an evening event ensure that the property is adequately lit.
- e. *Outdoor events.* Outdoor events have unique potential risks including: weather changes, terrain and accessibility, hazards on adjoining lots, adequate lighting (for evening events), sanitary toilet facilities including facilities for the disabled. Also determine if permits required for your event.
- f. *Fundraising risks.* Make sure you meet the demands of the principal sponsor(s), which may include a written report of how funds are used, or specific visibility at an event. Consider the reputation of potential sponsors, including sponsors who are committed to similar goals. For example, you would not want a brewery sponsoring a youth-based activity.
- g. *Involve persons with disabilities.* Your event should be accessible to individuals (volunteers and attendees) with special needs. Before deciding on a location, determine if any features of the facility might make it inaccessible to individuals with disabilities.
- h. *Problems with partners.* When running or co-sponsoring an event with another organization, clearly define the individual and joint responsibilities of each party in a written document.

5. **Use risk-sharing tools.** The use of a written contract outlining which party will be responsible if harm occurs can minimize your club’s potential liability. Please refer to the section entitled *Contracts Waivers Permits* for more information.

6. **Provide security** by using your club members or a security firm to control and monitor your event. Security personnel are useful for general crowd control, and especially helpful when it is necessary to escort troublemakers, intoxicated attendees or other individuals from the event premises. If you engage an independent contractor, check the security firm’s credentials and references. If using your own volunteers, train them in the proper procedures for handling problem situations.

7. **Plan for emergencies** by developing a crisis management plan for special events. A designated person (and a backup) should be responsible for making informed decisions during an emergency or crisis. Rotarians and volunteers should be trained on what to do in case of an emergency. You should also designate a media spokesperson (and a backup) to answer media inquiries at the time of emergency or crisis.

8. **Document plans** that your club has made to reduce the chance of harm or cope with an emergency that occurs once the event is underway. The written plan need not be voluminous, but should outline the procedures in place to address risks that may materialize during the event.
9. **Report incidents** that occur as soon as possible. Include a detailed account of the incident and contact information of witnesses, as well as photos of the site of the incident. Report the incident to RI's Risk Management department (see *Claim Reporting Guidelines* for details). Do not waste time predicting whether insurance coverage will be available and do not wait until your club has been served with papers initiating a lawsuit.
10. **Incorporate lessons learned and prevent future incidents.** Risk management is a cyclical and continuous process. A post-event evaluation is an excellent time to reflect on how the lessons learned from the process can improve safety at future events.