

# Insurance News Round-up

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## In The News

Recent news reports outlining various unfortunate occurrences at ice rinks bear some discussion about insurance, risk management and these topical issues, as demonstrated in the following headlines:

- *"Ice rink to reopen today after carbon monoxide leak sickened a youth"*
- *"Carbon monoxide sickens 10 at ice rink"*
- *"Carbon monoxide fumes force ice rink's closure"*
- *"Hockey team felled by fumes"*

## Indoor Air Quality

There have been a handful of reports like the above in the news lately about skaters being sickened by indoor air pollution at various rinks in the U.S. and Canada. All Commercial General Liability policies sold in the U.S. have some form of Pollution exclusion. This exclusion (in any form) will exclude coverage for claims against an ice rink due to injuries sustained by skaters and/or spectators from breathing emissions for ice maintenance equipment, including but not limited to ice resurfacers and edgers. Some Pollution exclusions will exclude cover for fumes emitted from building heating and cooling equipment as well.

There are two things you can do to protect the rink from claims of this kind. Pollution Liability coverage can be purchased as a separate policy. This policy will cover claims due to injuries caused by air pollution in your facility. For your information, employees are covered by Workers' Compensation insurance, so we're talking about claims from skaters and spectators. While this coverage can be costly, it is the only way to ensure you

have insurance coverage for this type of respiratory sickness caused by carbon monoxide. Multiple claims from one serious incident can be very costly, usually exceeding \$100,000 or more.

The other thing you can do to protect the rink from this type of claim is reduce your exposure, otherwise known as risk management.

## Crime Coverage, Employee Dishonesty, Coverage For Cash

There have been some reports of rink employees and volunteers allegedly stealing money and/or other property from rinks lately:

- *"Mom stole from youth league"*
- *"Man charged in \$10,000 ice rink theft"*
- *"Police seek ice arena intruder"*

If property is stolen or damaged by vandalism, your property insurance policy will cover the cost to repair or replace (usually at replacement cost) less the deductible. Most policies written today cover the replacement value of your property if you are carrying adequate limits. It's best to review this with your insurance representative before a loss occurs.

If money is stolen, however, you should be aware that this is not automatically covered under the property policy. Most insurance packages include a small amount of Theft, Disappearance and Destruction of Money and Securities coverage, but this is limited both on and off premises. Be aware of your limits, especially if you have unusually large cash deposits. Of course, money can be taken on your premises, as well as on the way to the bank to make a deposit, so know what these limits are and make plans not

to exceed the limit at any one time.

You should also be aware that Employee Dishonesty coverage is available as well, and not usually automatically included for the limits you may need. Employee Dishonesty coverage protects an employer from financial loss due to the fraudulent activities of one or more employees. You should know that both Cash and Dishonesty coverages are relatively cheap, so be sure to review these issues with your insurance representative to make sure you have adequate protection.

Of course, we suggest you reduce and manage the risk of loss as well. One of the best ways to prevent this type of loss is to implement strict operating controls in combination with careful employee supervision. While no employer can completely eliminate the risk of employee dishonesty, there are several steps you can take to help minimize the risks. For example, checks should be stamped "For Deposit Only" immediately upon receipt, and invoices should always be stamped "Paid" to circumvent the chances of paying the same invoice twice. If one of your employees maintains your books, be sure that someone reconciles bank accounts other than the person who handles deposits and withdrawals. Implementing security controls and procedures, such as installing video surveillance cameras in your manager's office and other key locations, can also deter the risk of theft.

With adequate insurance coverage and diligent risk management, you should be able to avoid these types of situations. As always, your insurance representatives and industry organizations like STAR are here to help educate and