

Insurance and Motor Competitions

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Introduction

The MSA effects Master Insurance Policies only in respect of public liability and personal accident risks and this cover applies to all events held under permit or for which an exemption for permit is granted. The policies are arranged through Lockton International, Manchester and copies of them may be seen on application to the MSA Company Secretary at Motor Sports House.

The following notes in respect of each of the insured policies are divided into two sections. Information on the scope of cover and its application in the first section and an Action Plan explaining how to establish cover correctly and the claims procedure to be followed in the second section.

1. Public Liability – Information

Any person injuring another or damaging another's property as a result of acting negligently may have an action for compensation brought against them. This is true just as much in motor sport as in life generally and it is for this reason that the MSA has arranged public liability insurance to protect clubs organising events against this potential legal liability. Insurers cannot cover events of whose existence they do not know and for the policies to be effective a club must obtain an appropriate permit or exemption from the MSA.

Scope of Cover

The policy is arranged to provide indemnity to the level stated in Section Z for any one accident. This is the limit of the Insurer's obligation no matter how many people are injured or how much property damage is done as a result of a single incident or accident. In respect of pollution/contamination claims the limit of the Insurer's liability is £30,000,000 in the aggregate and cover is restricted to sudden, unintended and unexpected pollution.

The costs of defending Clubs against allegations likely to be the subject of indemnity under the policy are also met by Insurers. They will of course take over the control and conduct of that defence.

The first £250 of any claim for damage to property will

be the responsibility of the club and this excess is payable in respect of each and every accident which gives rise to a claim. Where prior experience indicates that a heavy claims exposure exists the excess may be increased, but not without prior notification to the club concerned.

Who is Protected?

The Master Policy protects an organising or promoting club and its officials for their potential legal liability to third parties injured or whose property is damaged following an accident arising from the holding of an event. This term includes official practice and associated activities necessary to an event (such as setting up a course for a speed event). The cover additionally protects officials (not necessarily officials of an organising club), or sponsors of an event or of races or championships, within the event.

What is Protected?

Events arranged by clubs held under Permit or Certificate of Exemption, and also marshals' training days subject to prior notification and approval.

What is Not Protected?

Events not held under Permit or Certificate of Exemption are not covered, neither are any Record Attempts nor attractions other than the normal competition, such as flying displays or vehicle demonstrations, unless details have been submitted and approval granted by the Insurers. It should be understood that demonstrations and other such attractions are not automatically covered by the MSA Policies and need to be notified to Brokers.

Approval will normally be given for the demonstration of competition vehicles powered by conventional engines, and with drivers wearing crash helmets, provided the type of vehicle is permitted for competition purposes by the terms of the track licence.

Social events run by clubs are not insured under this policy though Lockton International will be able to assist clubs requiring legal liability cover for other club activities, or special attractions.

Liabilities arising from the use of vehicles on the public road are not insured under the public liability policy. If this cover is required application should be made to Lockton International who will be able to offer facilities to insure the exposure.

Events abroad are not covered without special arrangement.

Cover for damage to emergency vehicles is provided although the vehicle owner would have to prove negligence on the part of the organisers or competitors. If cover for emergency vehicles is required irrespective of the issue of negligence or legal liability then special arrangements have to be made in advance and Lockton International should be consulted over this and the cost.

Are Competitors Covered?

The term competitor is used in its widest sense to describe drivers, entrants, sponsors of individual competitors and where appropriate passengers.

It is impractical for the MSA to provide competitors with cover where any part of an event takes place on the public highway in circumstances to which the Road Traffic Act applies. To cover liability under the Road Traffic Act, competitors are expected to make their own arrangements by the extension of existing motor policies. However, Lockton International are in a position to assist clubs organising rallies through facilities they have in place to provide Road Traffic Act cover.

Where events occur on private land, i.e. where the insurance provisions of the Road Traffic Act do not apply, competitors are protected by the MSA's public liability insurance.

However, this insurance does not protect competitors in respect of liability to mechanics or other helpers forming part of the same entry nor do they protect mechanics, entrants or sponsors in respect of claims by the driver. Claims by one competitor against another actually competing in the same event are excluded. This latter risk is, in practical terms, uninsurable.

Are Landowners Covered?

The MSA and clubs need to retain the goodwill of landowners in order that land continues to be made available for use by the clubs for events. For this reason the MSA Master Policy indemnifies landowners in respect of their potential legal liability to third parties following an accident in connection with an event for which they have loaned the use of their land. It does not matter whether the landowner is a private individual, a government department or a corporate body. This indemnity is to deal with the risk that an allegation is made after an accident that the cause was due to some defect in the landowner's premises.

However, it is possible that damage to the landowner's property may result from an event, for example a wall is knocked down. The MSA Master Policy will indemnify the club against such damage to the landowner's property, subject to the policy excess.

Care should however be taken by the club when using venues part of which are also used for aviation activities, since the MSA Policy does not provide protection in respect of aviation accidents. Lockton International would be willing to check the landowner's cover is adequate if the club is in any doubt and refers the matter to Lockton International.

The MSA public liability policy is of course a legal liability policy and will only pay for damage to a landowner's property if it is considered that the club has been in some way at fault and has a legal liability.

What is Contractual Liability?

Contractual Liability is the term used in Insurance policies to indicate an obligation accepted by one of the two contracting parties which goes beyond the position that would exist otherwise under the common law. Insurers exclude such obligations because they do not wish to be bound under their policy by any prior commitment unless they have been given notice of the commitment and agreed to it.

In motor sport it is common for landowners making their land available for a motor sporting event to make it a condition of a club's use of that land that any damage to it will be made good. Thus the liability of the club to the landowner will arise not from common law, because the club is negligent or fails to exercise a proper duty of care, but as a result of the contract between them. Clearly and obviously a contractual liability.

The MSA Master Policy may cover this risk, provided details of the agreement between the club and the landowner are advised to the MSA prior to the event, for approval. Special conditions for the use of land may be embodied in a letter of permission given by the landowner. Under normal circumstances any extension of cover will not include inevitable damage to road and land surfaces. Clubs are expected to take reasonable measures to protect vulnerable property, especially any property of high value which might be subject to damage.

It should be understood that the automatic contractual liability if arranged, operates in connection with the loaning of private land, and not the utilisation of landowners' equipment or personnel.

Prior notification to the MSA is necessary to prevent any possibility of abuse, for example, by agreeing after damage has occurred to indemnify the landowner. It is also the case that contractual liabilities can vary considerably in extent and scope and prior submission of details gives insurers the opportunity of assessing whether the risk they are being asked to underwrite justifies additional premium.

If the Insurers agree to provide the cover, the MSA will, on request, issue a certificate confirming the extension of the policies to cover any given contractual liability undertaken.

The MSA Master Policy will not provide protection in respect of contractual obligations associated with aviation accidents. Clubs should always clarify the position carefully in any case of aviation activities taking place on the premises.

If obligations are undertaken under contract in respect of damage to other property e.g. hired public address equipment, armco barriers or advertising hoardings then the liability cover offered under the Master Policy will only operate to the extent to which it is judged you may have a legal liability under the common law in negligence.

MEDICAL MALPRACTICE

The Master Liability policy is automatically extended to provide medical malpractice cover for volunteer Junior Doctors and paramedics registered with the HPC and volunteer medical assistants including nurses registered with the MSA, attending MSA authorised events. The limit of indemnity is £5,000,000 in the aggregate and the cover is subject to an excess £250 each and every claim.

PUBLIC LIABILITY – ACTION PLAN

In order that clubs may be certain that cover is in place for any given event they are undertaking the following are the steps that are to be taken:

1.1. Cover

1.1.1. Apply to the MSA for an appropriate Permit or Certificate of Exemption.

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1.1.2. Consider if specific advice is needed from Lockton International on the event, e.g.

- Increased indemnity limit above the normal limit as shown in Section Z.
- Attractions other than normal competition, e.g. vehicle demonstrations, flying displays, etc.
- Contractual liabilities incurred to property owners or landlords.
- Aviation activity on site.

1.1.3. If special exposures to risks not covered in the standard MSA liability insurance exist such as in 1.1.2 above then full details should be made available to Lockton International in good time for them to respond on the nature of the cover required and its costs.

1.2. Claims

In the event of any accident involving injury to a spectator or official, or damage to third party property, a full report must be made to the MSA as soon as possible. There must be no discussions or correspondence whatsoever regarding the incident other than to confirm that the facts are being reported to the MSA. Delay in reporting could result in the Insurer's refusal to deal with a claim if their position had been prejudiced by delayed notification or by settlement or commitment having been made. In the unlikely event of an injury being fatal, this report must be made by telephone, as it may be necessary to attend the inquest. These requirements also apply to serious or fatal accidents to competitors.

In the case of accidents involving spectators or their property it is important that the names and addresses of any witnesses are obtained and also those of marshals stationed in the vicinity of the accident.

After an incident organisers or individuals may receive a letter from a solicitor which should take the form of 2 copies of a 'letter before action'. Such letters should not be acknowledged but must immediately be sent to the MSA. Insurers will then have 21 days to acknowledge receipt of the 'letter of action' followed by a period of 90 days to investigate the claim and make a decision on liability.

Failure to meet these deadlines can result in judgement by default with the attendant adverse penalties and cost accruing to the defendant.

2. Personal Accident

The duties of many officials take them close to the "scene of the action" and consequently into an area of relatively greater danger. However they voluntarily carry out their duties and legally thereby accept the additional risk inherent in the job which thus limits any remedy at law available to the official should injury occur.

2.1. Officials

Recognising this the MSA has effected personal accident insurance applying at events held under

Permit or Certificate of Exemption. Personal accident policies pay the pre-agreed levels of benefit to persons injured if an accident occurs within the terms of the policy. Such benefits are not dependent in any way on who was responsible for the accident nor is any apportionment of blame required.

Who is Covered?

All signed-on officials at events held under Permit or Certificate of Exemption, including set-up and dismantling. The signing-on of officials at events is most important in that one of the purposes of this is to identify a person as an official of the event and consequently to establish right to benefit under this personal accident policy. Cover for officials includes travelling directly from home to an event and directly back home again from the event.

What are the Benefits?

The benefits payable under the personal accident policy are up to the following maxima:

£65,000	Death
£65,000	Loss of two limbs or the sight of two eyes or loss of one limb and the sight of one eye
£65,000	Permanent total disablement
£32,500	Loss of one limb or the sight of one eye
up to £350	per week during temporary total disablement limited to 104 weeks.

The phrase "loss of" is deemed to include total and irrecoverable loss of use.

The reason why lesser amounts may be payable than the above sums is that it is not permissible to permit an individual to make profit from an insurance claim. The policy necessarily covers a wide range of individuals with very different circumstances and it would obviously be wrong for example to pay £350 per week in temporary total disablement benefit to someone who earns substantially less than this in normal circumstances. The weekly benefit is related directly to an individual's income and will make allowance for tax and National Insurance.

2.2. Competition Licence Holders

In addition to covering officials the MSA has arranged automatic cover for all Competition Licence holders.

This personal accident insurance cover is valid from the date of issue of the competition licence or the First of January of the relevant licence year, whichever is the later. It is operative during any competition and/or official practice session at an event run under a permit issued by the MSA or for which a Certificate of Exemption has been issued or run in accordance with the International Sporting Code of the FIA.

This additional personal accident cover does not apply to competitors holding only a 'Club Card'. The benefits payable are up to the following maxima:

£10,000	Death (£7,500 under 16 year olds)
£10,000	Loss of two limbs or the sight of two eyes or loss of one limb and the sight of one eye

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£40,000 Permanent total disablement
£ 5,000 Loss of one limb or the sight of one eye
The phrase "loss of" is deemed to include total and irrecoverable loss of use.

These are the standard benefits provided by the MSA. Facilities exist for drivers to increase these benefits at favourable terms and they should apply directly to Lockton International at Hanover House, Charlotte Street, Manchester M1 4FD for details of terms.

Who is covered?

All signed-on MSA Competition Licence holders at events held under a Permit or Certificate of Exemption. The cover applies while signed-on under Regulation E 5.1 or for any International or National event held in accordance with Article 17 and/or 18 of the FIA International Sporting Code.

3. General Notes

The following are general points where experience has shown it is helpful to give guidance to members.

3.1. Competitors or Clubs competing abroad

It is recommended that competitors or Clubs competing abroad review their insurance arrangements, including medical insurance cover, with Lockton International.

3.2. Foreign Competitors in the UK

The National Health Service has financial restrictions on treating some foreign nationals after an accident. Unless the country of origin has an agreement with the UK, foreign competitors are strongly recommended to take out medical insurance before competing here. Organisers should draw this to the attention of foreign competitors in SRs.

3.3. Social Events

The MSA's Master Policies only provide protection in respect of events run under Permit or Certificate of Exemption. To cater for potential Legal Liabilities arising from other club activities it is strongly recommended that Public Liability insurance is effected by the club for its own account. Advice on the arrangement of such insurance is available from Lockton International.

3.4. Marshals' Training

Marshals' training days are, subject to prior notification and approval by the MSA, covered under both the Legal Liability and the Personal Accident (officials) Policies without charge.

3.5. Training Races

A Training Race is a private race meeting organised for the purpose of a Racing School providing training and experience to its registered pupils in driving under racing conditions, and to which the general public are not admitted, nor any charge made to anyone other than such pupils.

3.6. Competitors' Legal Liability

MSA Master Policies do not extend to indemnify competitors taking part in social events or any part of any other event held on the public highway where a

Certificate of Insurance is required by law. Entrants and drivers taking part in events of this nature must ensure that their normal Motor Car Policy affords protection.

3.7. Damage to emergency vehicles

It is impractical for automatic cover to be provided for accidental damage to Ambulance, Breakdown, Rescue Course/Safety Cars or Doctor's vehicles. The MSA's master legal liability policy covers such damage if the vehicle owner can prove negligence on the part of organisers or competitors. If cover is required irrespective of any ability to prove negligence then Lockton International should be contacted. It should be said that such vehicles can be expected to be insured by the owners themselves.

3.8. Standard Motor Policies

A Standard Motor Policy issued in the UK market excludes use for "racing, pacemaking, reliability trials, speed testing or rallies". While the competitor may be able to obtain extension of his policy this is a matter for individual negotiation between the competitor and his insurer.

Any competitor in any event that involves use of the public highway should, in his own interest, pay particular attention to insurance. He should always, before entering an event involving use on the public highway, obtain confirmation from his insurers that his normal policy operates. Where Rallies or Trials include Autotests full details of these tests should be submitted to the Insurer.

Competitors are reminded of the declaration they are required to make when entering an event. Facilities are available to Clubs to provide short period third party liability cover to drivers in Rallies through the Lockton International Rally Drivers' Scheme.

4. Events on Public Roads

4.1. Road Rallies

In respect of Road Rallies timed to less than a minute, the higher rate detailed in Appendix Z 5.5. does not apply in respect of Regularity events or events where one section, not exceeding 10 miles in length, is included solely for the purpose of tie deciding.

4.2. Closed Road Events

Competitor's legal liability cover can only be given for events run on closed public roads when such roads are closed by a properly enacted Order made under the authority of a statute permitting the closure of a public road or roads for the purpose of a competition, whether such competition involves simultaneous competition or timing against the clock, and suspending the operation of normal Road Traffic Legislation.

5. Insurance Fees

Insurance fees are detailed in Appendix Z, Schedule of Fees. The quoted Per Capita rates are based on a meeting of one day's duration. Insurers reserve the right to make an increased charge in respect of meetings occupying more than one day to which the public is admitted, and a charge made or where competitions counting towards the final result take place on each day. The Per Capita premiums provide cover in respect of the permitted competition and official practice sessions.

Insurance Policy Summary

KEY FACTS

This policy summary provides important information about the Public Liability and Personal Accident Insurance. This applies each time you are eligible to compete in any MSA permitted event or event for which a Certificate of Exemption has been issued or run in accordance with the International Sporting Code of the FIA. These are not the full terms and conditions. The full terms and conditions can be found in the insurance policy a copy of which can be viewed on application to the MSA company secretary at Motor Sports House. The insurance is governed by English Law.

<i>Features and Benefits</i>	<i>Significant exclusions and limitations</i>
<p>Public Liability</p> <p>You are covered for legal liability you may incur for injury caused to third parties and damage to their property.</p> <p>Limit of indemnity – £30,000,000 each and every claim.</p>	<p>Injury caused to any other participant during a race.</p> <p>The organising club will be responsible for the first £250 of each claim in respect of third party property damage.</p>
<p>Personal Accident</p> <p>Death £10,000 (£7,500 under 16 year olds)</p> <p>Loss of two limbs or the sight of two eyes or loss of one limb and the sight of one eye £10,000</p> <p>Loss of one limb or the sight of one eye £ 5,000</p> <p>Permanent total disablement £40,000</p>	<p>No cover under this section is provided in the event of you not holding a competition licence.</p> <p>Temporary total disablement, Illness of any kind, Suicide or attempted suicide, Your own criminal act, Being under the influence of alcohol or drugs, Terrorism.</p>
<p>Operative Time</p> <p>Cover for both sections only applies whilst you are signed on at events held under permit or certificate of exemption or run in accordance with the international sporting code of the FIA.</p>	
<p>Territorial Limits</p> <p>Cover is only provided for events taking place within Great Britain, Northern Ireland, Isle of Man and the Channel Islands. Or anywhere in the world excluding any country or territory which operates under the law of the United States of America or Canada other than in respect of the non manual activities of any director and or partner of the Insured and or Person Employed ordinarily resident in the territories named above but temporarily engaged in the Business.</p>	<p>In respect of the Public Liability Cover, events abroad are not covered without Special Arrangement.</p>

Making a Claim – To make a claim please contact the MSA.

Complaints – If you are not satisfied with the service you receive from us you should contact in the first instance the Customer Relations Manager, Adrian Crick at Brit Insurance Limited, 55 Bishopsgate, London, EC2N 3AS. If we are unable to satisfactorily resolve your problem you may be eligible for the Financial Ombudsman Service.

Financial Services Compensation Scheme – In the event that Brit Insurance is unable to meet its liabilities you may be entitled to compensation from the Financial Services Compensation Scheme. Further information is available from the FSCS website <http://www.fscs.org.uk>.

The Insurer – Brit Insurance Limited, Amlin, Chubb, D A Constable.