

OAK RUN HOMEOWNERS ASSOCIATION
Liability Protection

To All Oak Run Clubs:

October 12, 2011

The following is intended to inform you of the facts about the ORHA Liability Insurance policy and to be sure you know how this affects clubs using the facilities in Oak Run.

Nothing is different now than it was before. We just know more.

Disclaimer- None of this can be interpreted as legal advice or statements because neither the ORHA Directors nor Mike Monroe are lawyers. Likewise the following are general statements and cannot be taken as the actual contents of the ORHA Liability Insurance policy. A copy of the ORHA Policy will be in the Library for you to read. You can have a copy made for your personal use at the normal rate for copying.

General Statements

1. All property owners are automatically members of ORHA and thus are included under the bodily injury portion of the ORHA Liability Insurance policy while using scheduled Oak Run facilities. If someone sues a member for negligence which caused an injury while using the scheduled facilities the member is covered under the ORHA policy.
See alcohol exclusions in section 4 below.
2. ORHA volunteers are covered against liability while performing the work of ORHA.
3. Clubs as entities are not a part of ORHA. ORHA does not create nor approve the formation of clubs, only the club's use of the facilities through the ORHA Scheduler and under the Policies and Procedures of ORHA. If someone sues a club for negligence causing an injury (food poisoning, a fall on wet floor, etc) while using the scheduled facilities, the club as an entity is not protected under the ORHA policy.
4. Alcohol Exclusions:
 - a. The ORHA policy in general does not cover for liability due to consumption of alcohol which causes injury.
 - b. A person's homeowner policy may offer some level of protection and may treat a club event just like having visitors to your home where alcohol or food is served.
Everyone should check their homeowners policy.
 - c. The sale of alcohol at a function requires you have a state liquor license. ORHA on occasion has gotten a temporary license but it is a hassle since you have to go to Gainesville to get it. The best way is to have your caterer provide the alcohol under their license. They may charge more because of the insurance and they must serve it which requires personnel.
 - d. Charging for entry to an event where alcohol is provided by the club as part of the cost is the same as selling the alcohol.
 - e. The best alternative is to have events be setup where individuals bring their own alcohol (or BYOB). It is up to the club if the event is advertised as BYOB. Stating that coffee, tea and soft drinks are provided is probably the best way to advertise.

5. When hiring caterers to provide food services be sure they can provide a Certificate of Insurance and provide workman's comp insurance for themselves and employees. Otherwise the club as an entity and individual members could be held liable for something like food poisoning or a worker being injured while there.

6. When hiring a bus company to transport club members on an outing, require the company to provide a Certificate of Insurance with coverage stated for at least \$4 million and showing the club as additional insured. To make yourself feel even better you can ask that the club member(s) responsible for the trip also be shown as additional insured.

Note: that when you travel on a plane or ship they usually provide this as part of the contract with you and it usually states that in the small print.

7. Many people already carry an umbrella policy for protection against lawsuits in order to protect their assets. Generally it is recommended that individuals purchase a \$1 million umbrella policy which is inexpensive, as little as \$200-300 per year. Often it is cheapest when added as a rider on your homeowners policy if offered.

Here are some examples provided by Mike Monroe of Monroe Insurance Agency:

1. Lets say Monroe Insurance decides to have wine and cheese for my clients one afternoon, compliments of me. That is the type of exposure the policy will cover and is included in your ORHA policy.
2. I could extend it to the ORHA meeting we had on Sept 20th. Your association simply hosted the meeting and lets say, let us drink a few beers you provided at no charge to promote the event - that is OK and is covered.
3. Now, you do the same thing, but tell the people to bring \$10.00 and you'd have the wine here for them—This is a Problem - You are now, in a weird kind of way, selling it.
4. Lets say your did the same thing and furnished alcohol with a meal – still a Problem –. The ORHA policy will not cover either of the examples in items 3 or 4 above for ORHA sponsored events.
5. The gray area is when you charge for a meal and tickets to the event and say you will provide alcohol free, compliments of the Association (gratis) - That is a legal issue I can't determine.
6. The other thought I had was that most do not understand that the clubs are usually a 'non entity' of loosely knit people coming together as individuals with a common cause. You are just a bunch of individuals - responsible as individuals for injury you may cause, the same as it has always been.

The ORHA Board of Directors hopes all residents will continue to enjoy their activities as individuals and with your clubs. There is no reason not to when taking reasonable precautions to protect yourself which you may already be doing and just didn't know it.