

Rental Groups

Thanks to attorneys Reb Gregg and Catherine Hansen-Stamp, who allowed Markel to use some of their prior writings on the subject of third-party user contracts.

Rental groups can be a profitable source of income. Renting to outside groups, however, poses some challenges. The following describes the documents and procedures that will help make your rental operations a success.

Contracts: The first thing you need is a signed contract, written by informed legal counsel. A contract documents the parties' understanding of their responsibilities and important details of the arrangement before the group arrives, including the:

- Services, activities, and supervision your organization will provide.
- Rental fees or other compensation.
- Program's beginning and ending dates and times.
- Each group's responsibilities, including supervisory, medical care, and transportation.

The contract should document what happens if your property is lost or damaged, and your organization's rules and regulations. It should contain appropriate hold-harmless and defense/indemnification language. The contract should also note the unique aspects of the anticipated activities, the environment and facilities (including hazards that may not be known to visitors), and special needs of the visitors.

Certificate of Insurance/Additional Insured Statement: Ask rental groups for a Certificate of Insurance, and ask them to add your organization to their insurance policy as an Additional Insured. This is particularly important when you will not supervise the group's activities. When groups request to rent your facilities without providing their own insurance, verify with your insurance agent that your policy will cover your organization for claims that may arise.

Participant List: Get a participant list from rental groups before they arrive, and make sure it documents any special needs. Should a liability claim arise, you will have documentation that the person bringing the claim was actually at your facility.

Release Forms and Arbitration/Venue Agreements:

Ask groups to sign an acknowledgment and assumption of risk and/or release type agreement before arriving at your facility. This agreement could protect your organization from a claim, and at a minimum informs the parents and participants of some of the risks. **Work with knowledgeable legal counsel to write these agreements; don't use forms that were written for other organizations.**

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Site Inspection: Conduct a documented site inspection before and after a rental group uses your facility. This is an excellent way to identify and correct hazards, and also documents the condition of your property should vandalism, theft, or other mischief occur during the group's visit.

Signage and Access Control: If you don't want visitors to access certain areas or items, keep them locked up. For minor risks, like a pothole in the parking lot, erect a physical barrier to prevent access. Proper signage is also important, particularly around high-risk areas like the pool and gym.

If you have a safety or risk management question or a suggestion for a topic, please contact Markel's Risk Management Department at safety1st@markelcorp.com.