

## Rental Groups

*Thanks to Reb Gregg and Catherine Hansen-Stamp, lawyers active in this practice area, 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 for many youth recreation programs. Such groups range from a weekly bingo tournament at a Boys and Girls Club to weddings, mini-camps, corporate meetings, and retreat groups at a summer camp. These groups pose some challenging problems that are different from normal operations. 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. It is advisable to work with informed legal counsel to craft a written agreement that takes into consideration any relevant and applicable state laws.

A contract allows the parties to address their respective liability to each other, in the event of an incident. It 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.
- Rental group's responsibilities, including supervisory responsibilities.
- Responsibilities of the rental group and your organization for medical care and transportation.

The contract should document what happens in the event of damage to or loss of your organization's property, and your organization's rules and regulations. It should also contain appropriate hold-harmless and defense/indemnification language.

When writing a contract, consider the unique aspects of the anticipated activities, the camp or club environment and facilities (including hazards that may not be known to the visitors), and special needs of the visitors.

**Certificate of Insurance/Additional Insured Statement:** Ask rental groups for a Certificate of Insurance. Better still, ask them to add your organization to their insurance policy as an Additional Insured. This is particularly true when your organization will not provide supervision for the group 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. When the group arrives, verify attendance and absentees. Be sure the list documents any special needs the group may have. Should a liability claim arise after the group has left, you will have documentation that the person bringing the claim was actually at your facility.

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**Release Forms and Arbitration/Venue Agreements:** It's good practice to require groups to sign an acknowledgment and assumption of risk and/or release type agreement before arriving at your facility. These agreements should include parents who are attending as well as parents on behalf of their child. Depending on how well crafted this agreement is and your state laws, this 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.*

**Site Inspection:** Conduct a documented site inspection before and after a rental group uses your facility. Not only is this an excellent way of identifying and correcting hazards, it documents the condition of your property should vandalism, theft, or other mischief occur during the group's visit.

**Signage and Access Control:** With a rental group, you don't usually have the same control and supervision abilities you do with campers or club members, so proper signage and access control becomes more important. If you don't want visitors to access certain areas or items, such as climbing walls, cleaning supplies, or electronics, they need to be kept under lock and key. For minor risk areas, such as water on the floor or a pothole in the parking lot, erect a physical barrier to prevent access. Proper signage is also important, particularly around high-risk areas like aquatics, gymnastics equipment, and challenge courses.

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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](mailto:safety1st@markelcorp.com).