

## Common Regulations for

# Insurance and Motor Competitions Appendix 2

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## Introduction

1. 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 Jardine Lloyd Thompson Limited, 6 Crutched Friars, London EC3N 2PH. Tel: 0845 618 9646.

The following notes are in respect of each of the insured policies. Information is provided on the scope of cover and its application and an Action Plan explaining how to establish the correct cover and the claims procedure to be followed.

## Public Liability – Information

2. Any person injuring another or damaging another's property as a result of acting negligently may have an action for compensation brought against them. 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 and organise the event in accordance with MSA requirements.

## Scope of Cover

3. The policy is arranged to provide indemnity to the level £67,000,000 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 £67,000,000 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 £450 of any claim for damage to property will be the responsibility of the club and this deductible amount 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 deductible amount may be increased, but not without prior notification to the club concerned.

## Who is Protected?

4. 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 or rally 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. Competitors and Venue landowners are also covered but not one competitor claiming against another competitor.

## What is Protected?

5. Events arranged by Clubs held under an MSA Permit or Certificate of Exemption.

Marshals' training days are covered subject to prior notification being made to and approval given by the MSA.

Approval may be given for the demonstration of vehicles subject to a specific application being made to and specific written approval being given by the MSA.

## What is not Protected?

6. Events not held under Permit or Certificate of Exemption are not covered, neither are any Record Attempts nor activities other than the normal competition.

As part of the master liability policy member clubs are covered for their legal liability to third parties arising from their social activities. These activities encompass

## Appendix 2 – Insurance & Motor Competitions

social evenings, award ceremonies and other like gatherings. This extension DOES NOT cover claims arising from the following:

- 1) Hazardous and dangerous activities (except in an attempt to save human life).
- 2) Use of pyrotechnics and explosives.
- 3) Overseas activities.
- 4) Participation in actual Motorsport.
- 5) Commercial activities for gain/profit excepting raffles and prize draws or similar.
- 6) Employers Liability and Errors or Omissions.
- 7) Liability for bona fide sub-contractors.
- 8) Claims more specifically insured by the other existing policies.
- 9) Damage to vehicles used by the organisers is not covered. The policy provides no protection in respect of aviation incidents.

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 Jardine Lloyd Thompson who will be able to offer facilities to insure the exposure.

Events abroad are not covered without special arrangement and approval being sought through Jardine Lloyd Thompson.

Insurance policies are subject to specific terms and conditions. Thus if there is any doubt at all whether any activity or aspect of cover is insured or not it is important that you refer to Jardine Lloyd Thompson for clarification.

### Are Competitors Covered?

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

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.

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, Jardine Lloyd Thompson are in a position to assist clubs organising rallies to provide Road Traffic Act cover.

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.

Damage to participants competition vehicles whether caused during periods of competition or otherwise is not covered.

### Are Landowners Covered?

8. 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. 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.

The MSA public liability policy will only normally 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.

The policy is specific in not providing cover for damage to safety barriers, marshal posts, other course installations and damage to road and land surfaces.

### Contractual Liability?

9. 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 of negligence. 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. Please refer to Jardine Lloyd Thompson for any specific clarification.

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.

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.

### Medical Malpractice

10. 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 £10,000,000 in the aggregate and the cover is subject to a deductible amount of £425 each and every claim.

### Public Liability – Action Plan

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

- (a) Apply to the MSA for an appropriate Permit or Certificate of Exemption.
- (b) Consider if specific advice is needed from Jardine Lloyd Thompson on the event, e.g.
  - Activities other than normal competition, or those specifically approved by the MSA
  - Contractual liabilities incurred to property owners or landlords
  - Where cover under the Road Traffic Act is required.

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(c) If special exposures to risks not covered in the standard MSA liability insurance exist such as in (b) above then full details should be made available to Jardine Lloyd Thompson in good time for them to respond on the nature of the cover required and its costs.

### Claims

12. 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, at the earliest possible opportunity. These requirements also apply to serious or potentially fatal accidents.

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 or replied to 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 judgment by default with the attendant adverse penalties and cost accruing to the defendant.

### Personal Accident

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

### Officials

14. 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 and conditions of the policy.

### Who is Covered?

15. 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 extremely important in that one of the purposes of this is to identify a person as an official of the event and consequently establish the right to benefit under this personal accident policy. Cover for officials include travelling directly from home to an event and directly back home again from the event.

### What are the Benefits?

16. The benefits payable under the personal accident policy are up to the following amounts:

£65,000	Death
£65,000	Permanent total disablement
£32,500	Loss of one limb or the sight of one eye capped at £65,000
£100,000	Incapacitation benefit meaning bedridden and requiring full-time care for more than 5 years
£32,500	Loss of speech
£30,000	Loss of vital organ
£ 50	per day hospitalisation benefit capped at £750 any one loss
£ 200	Convalescence benefit
£ 1,000	broken spine, neck or skull
£ 650	for broken pelvis
£ 500	for broken arm, elbow, wrist, leg, hip, ankle, foot
£ 130	for any other broken bones

Up to £150 physiotherapy benefit with a £50 excess each and every claim.

Up to a maximum of £2,000 expenses necessarily incurred following any one accident for those not in regular employment.

Medical expenses following an accident occurring during MSA authorised activity outside of England, Scotland, Wales or Northern Ireland (Limited to Europe), including repatriation to normal country of residence, capped at £25,000.

Up to £350 per week during temporary total disablement, limited to loss of earnings, payable up to 104 weeks.

Counselling benefit up to £500 per person per counselling session, limited to £5,000 per session in total.

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 sum during temporary total disablement 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 inappropriate to pay £375 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.

### Competition Licence Holders

17. 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

**PLEASE DO NOT DELAY IF ANY INTIMATION OF A CLAIM IS MADE AGAINST YOU.**

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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, under the authority of an FIA recognised ASN.

This additional personal accident cover does not apply to competitors holding only a 'Club Card'.

### What are the Benefits?

18. The benefits payable are up to the following amounts:

£25,000	Death (£7,500 under 16 year olds)
£32,500	Permanent total disablement
£50,000	Incapacitation benefit meaning bedridden and requiring full-time care for more than 5 years
£15,000	Loss of vital organ
£ 5,000	Loss of one limb or the sight of one eye capped at £10,000
£32,500	Loss of speech
£ 50	per day hospitalisation benefit capped at £500 any one loss
£ 500	spine, skull, neck
£ 100	Convalescence benefit
£ 325	for broken pelvis
£ 250	for broken arm, elbow, wrist, leg, hip, ankle, foot
£ 65	for any other broken bones

Up to £150 physiotherapy benefit with a £50 excess each and every claim

Medical expenses following an accident including repatriation to normal country of residence (Limited to Europe) £12,500.

Counselling benefit up to £500 per person per counselling session, limited to £5,000 per session in total.

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

These are the standard benefits provided by the MSA. Facilities may exist for drivers to increase these benefits at favorable terms and they should apply directly to Jardine Lloyd Thompson.

### Who is Covered?

19. 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 H.33.1 or for any International or National event held in accordance with Article 2.2 and/or 2.3 of the FIA International Sporting Code.

### General Notes

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

### Competitors or Clubs competing abroad

20. It is recommended that competitors or Clubs competing abroad review their insurance arrangements, with Jardine Lloyd Thompson.

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## Foreign Competitors in the UK

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21. 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.

## Social Events

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22. The MSA's Master Policies provide cover for some club social activities (6).

## Marshals' Training

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23. 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.

## Standard Motor Policies

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24. 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 special tests 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 Jardine Lloyd Thompson.

## Events on Public Roads

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### Road Rallies

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25. In respect of Road Rallies timed to less than a minute, the higher rate detailed in Part 3, Appendix 1. 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.

### Closed Road Events

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26. 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.

## Insurance Fees

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27. Insurance fees are detailed in Part 3, Appendix 1, 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.