

USWRA
Statement of Facts
February 21, 2005

Powered by Promoters for its Members

As Prepared by Jacque Bryant, Jim Delzer, Scott Frazier and USWRA Advisory Members

USWRA Protocol Regarding Internet Forums

The following is the method of communication that will best serve USWRA promoters and members as defined by the USWRA Advisory Members:

1. Questions concerning USWRA policy should be directed to the USWRA or to a USWRA promoter. If a question is directed to a USWRA promoter, and the promoter is unsure or unable to answer the question, the question will be directed to the USWRA.

This allows for two goals to be met. First, members will have an enhanced relationship through a direct line of communication with their regional promoter.

Second, promoters and members will not have to be concerned that the answer to a specific question, or interpretation of a specific policy or rule, is scattered out on a public web forum. Such information will be easily found on USWRA and USWRA promoter websites.

2. USWRA Staff, Promoters, Advisory Members or other Board Members will not participate in back and forth exchanges on Internet websites and forums regarding USWRA policy and business.

The USWRA cannot monitor the content for accuracy and truth, nor validate the facts of public websites once it is posted. Please note, this does not mean the USWRA will not defend itself against defaming comments made in these forums nor does it mean the USWRA will be silent.

3. The USWRA will utilize the USWRA website for the dissemination and archiving of information, including a FAQ section.

The USWRA will also provide regular update news and information to other media sources and websites, such as the IJSBA website, via official USWRA press releases.

USWRA Mission

To support, guide and empower its promoters and members.

To support means to aid the cause, policy, or interests of. To guide means to lead, direct or advise. To empower means to equip or supply with an ability; to enable.

The USWRA exists with the goal of preserving the future of PWC racing. This goal will be met by focusing on the following actions:

1. Sustaining PWC racing programs.
2. Assuring control of the USWRA affiliate entity remains in the hands of the promoters and members.
3. Supporting the central principle that the USWRA is about PWC racing and the people that make up the PWC community.

Insurance Defined

(Disclaimer – I (Jim Delzer) do not claim to be an insurance agent, broker or representative of the insurance industry, nor am I licensed to do business in the insurance industry. The following is what I have learned over the past 17 years in dealing with insurance.)

One element of USWRA support is to negotiate an insurance policy that is affordable and provides liability protection for its promoters and members.

Insurance is a business that defines a level of risk. Insurance companies take the risk and calculate, that overall, they will payout less money in claims than what they receive in premium payments/fees. They are in the business of being profitable. If they are not profitable, they no longer exist and that is one less company to offer the service.

There are only a few companies in the whole world that will even provide an insurance policy for personal watercraft racing. It is not like purchasing auto insurance where there are many companies competing for your business. The economics of supply and demand come into play.

The lower the supply, the greater the demand and the higher the risk, the higher the fee is. Additionally, the more claims that are made against a policy, the higher the fees are. If there are too many claims, the company will no longer insure you. Remember there are only a few that even do it. One less company means higher demand and higher fees.

Insurance companies will refer to loss-runs. This includes the monies they have paid out in claims and the amount of future monies they anticipate to pay out in on-going claims. Therefore, it is in the sanctioning body's interest, the promoter's interest and the rider's interest to minimize the loss-runs (potential and/or real claims) in order to keep the cost of insurance at a minimum.

Liability insurance is a necessity. A promoter cannot go onto a race-site without it. The policy is there to protect amongst other things, the promoter and those who are affiliated with the event.

This includes but is not limited to; the promoter, listed additional insureds, spectators, mechanics, holders, vendors, riders if they should injure someone other than another rider, etc. However, like any insurance policy there are exclusions that should be referenced in the policy.

In order to minimize the risk of paying a small liability claim, the insurance supplier requires that a participant medical policy be bound to the liability policy. This means that there are two separate policies that combine together to provide insurance coverage. As a rider who gets injured and files a claim, you are using the participant medical policy. If you are a claimant who brings suit against the USWRA, the promoter or others listed as additional insured, you are making claim against the liability policy.

This participant medical policy is a secondary policy. That means your personal insurance is activated first. Once the limit has been met on your own policy or your insurance company declines to pay on the claim, the USWRA participant medical policy will be activated after, 1) you supply the necessary claim forms and requested information; 2) the insurance carrier deems it to be a legitimate claim. After the claim is initiated, your contact will be direct with the insurance carrier. Just like your personal insurance, this secondary policy has deductibles and limits.

This secondary policy is not meant to be your only source of insurance nor is it meant to be your health insurance or major medical policy. You are, by nature of competition, taking an increased risk by participating in this sport and are advised to have a personal major medical or health insurance policy.

Liability insurance is a necessity for the promoter to do business and provide racing. That said, it would be in everyone's best interest and it would help to maintain costs if there was never a claim made against a policy – including the participant medical. Everyone has a responsibility.

USWRA Insurance Coverage

Per the information supplied on the Certificates of Insurance:

General Liability Carrier – Clarendon Insurance
Participant Medical Carrier – AIG Insurance
Producer/Broker – Rand Sports and Entertainment Insurance

Commercial General Liability	\$ 1,000,000
Personal & Advertising Injury	\$ 1,000,000
Fire Damage	\$ 100,000
General Aggregate	None (This means there is no cap)
Products – Comp/Ops Aggregate	\$ 2,000,000
Participant Medical Limit	\$ 25,000
Participant Medical Deductible	\$ 2,500
Accidental Death & Dismemberment	\$ 10,000

Optional \$5,000,000 Commercial General Liability coverage is available at additional cost.

Rider to Rider or Participant to Participant Coverage

The USWRA, on the advise of the Advisory Members and the USWRA legal department, has elected to NOT bind the so-called “Rider to Rider” coverage for the reasons listed below. All other coverage remains the same.

1. The USWRA or its promoters have no direct control, without previous knowledge, of those who may have malicious intent to injure another rider while on the race site covered by the USWRA General Liability Policy.
2. The USWRA or its promoters have no direct control, without previous knowledge, over individuals who bring personal issues to the race site.
3. The USWRA has no direct control of riders engaged in interpersonal lawsuits.
4. The USWRA should not be responsible for furnishing lawsuit fees and awards in which the USWRA is not a party.
5. The USWRA has no direct control of riders who could misuse this coverage for their own personal gain in a suit that was no fault of the USWRA or its promoters.
6. The USWRA could risk losing all general liability coverage over a suit outside of its control. (Remember there only a few companies that provide coverage.)

2005 Insurance Coverage

The USWRA has a policy in place for the 2005 race season.

Please address any of your insurance questions to Jim Delzer by phone (714) 957-3315 or by email jdelzer@uswra.com.

Thank you for your support of the USWRA – *Powered by Promoters for its Members.*