

## RISK MANAGEMENT INFORMATION

### Lease Agreements – Important Information from Hockey Canada

*The concerns around Facility Lease Agreements that contain “hold harmless clauses” continue to be a point of discussion. In some cases the Branch, Team, League or Association may be accepting to take on responsibility that their insurance company has not. Your insurer is insuring you and your operations not the operations of the recreational facility. You cannot increase your insurer's exposure to loss without his/her prior permission. If you should sign a lease agreement in which you accept to cover the facility operator/owners liabilities without the prior permission of your insurer then you and your club/team/organization may be held personally responsible for the injuries or damages incurred.*

Every year, Associations go about the business of arranging for the use of sporting facilities. Most of these facilities are owned and operated by the Municipalities and the rest are private operators. The process involves negotiating the price for the use of the facility and the times they will be used, among others. Once an agreement has been reached, a lease agreement is drawn up and signed by the negotiator or the committee assigned to that task.

The agreement outlines the cost, timings and the responsibilities of the two parties. All of these lease agreements have an insurance clause in them with certain requirements. One or more clauses may be beyond your authority and you cannot sign without taking personal responsibility for them.

The insurance part of the lease will more than likely have a Hold Harmless Clause. In many cases, this clause has been extended to mean that you are responsible for someone's injuries even if it is as a result of the actions or negligence of the owner/operator of the facility. Therefore, by accepting this clause in the lease, you are taking full responsibility for how the arena is managed or mismanaged. This includes maintenance, air quality, ice condition, security, emergency exits, wet spots on the floor, ammonia leaks, crowd control, non-functioning smoke/heat detectors, faulty sprinkler system, structural defects and any other issue which may arise.

Furthermore, you are accepting to take on these responsibilities but your insurance company has not. Your insurer is insuring you and your operations not the operations of the recreational facility. You cannot increase your insurer's exposure to loss without his/her prior permission. If you should sign a lease agreement in which you accept to cover the facility operator/owners liabilities without the prior permission of your insurer then you and your club/team/organization may be held personally responsible for the injuries or damages incurred.

If you are not certain that you understand what you are committing to, you should obtain legal advice or at the very least have the agreement approved by your insurer.