

MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND

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BULLETIN MEL 19-08

Date: January 1, 2019

To: Fund Commissioners of Member Joint Insurance Funds

**From: Underwriting Manager
Conner Strong & Buckelew**

Re: Fireworks Displays and Amusement Ride Requirements

The bulletin does not apply to the members of the NJUA JIF and “workers compensation only” members of the NJPHA JIF.

This will serve as an annual reminder for members of the Fund that there are fireworks displays and amusement ride requirements dealing with insurance to be provided by the fireworks and amusement ride contractors. An outline of these requirements is enclosed along with the Hold Harmless Agreement wording to be provided by the fireworks contractor and amusement ride contractor in favor of the member entity.

“Bouncy houses” and the like are also considered amusement rides and are formally known as “Type 4 Air Supported Structures”. The ownership, operation and maintenance of Type 4 Air Supported Structures is excluded from coverage. If you own such a structure, please consult with your risk management consultant to secure the appropriate liability coverage in the commercial market.

You should consider the following two nuances when contracting with vendors providing these devices: 1) The vendor may try to just drop-off the device for you to setup; 2) The vendor may not include personnel to oversee the devices. Both of these nuances would fall within the exclusion and not be covered by the Fund. Please note, oversight of the structures are considered “operation”.

Water Tag and Laser Tag as activities do not fall within the above category of amusement rides; however, there is the potential for the tag courses to be considered a Type 4 Air Supported Structure. Most courses are designed with numerous inflated shapes, which the participants do not go on, in or under. Please review with counsel and the amusement vendor for clarification on the type of inflatable.

The liability of member entities associated with fireworks displays and amusement rides are a major concern to the Fund. It is imperative you adhere to the enclosed requirements. In order to ensure compliance with the Fund's insurance requirements, if necessary, please have your contractor or contractor's insurance company call the MEL Underwriting Manager, so we can discuss these requirements with them in more detail.

As respects to the Hold Harmless Agreement wording, all blank spaces should be completed. Please note, paragraph three should be completed, dated and signed by an authorized representative of the contractor and witnessed to authenticate the signature of the authorized contractor representative. Any additional Hold Harmless/Indemnification wording included in the contract shall not contradict/negate the Hold Harmless Agreement noted above.

Any certificate of insurance requests from member entities, such as use of a private parking lot for spectator parking, will not be processed until the member entity meets the MEL fireworks display and amusement ride insurance requirements.

Please note, exceptions to the requirements herein are no longer accepted, including:

- Health Insurance in lieu of Workers' Compensation;
- Owners/Proprietors excluded on the Workers' Compensation;
- Invoice in lieu of a contract;
- Unsigned contract; and
- Personal Automobile Liability in lieu of Commercial Automobile Liability.

If you have any questions on this bulletin, please contact your Risk Management Consultant, JIF Executive Director or the Underwriting Manager.

This bulletin is for information purposes only. It is not intended to be all-inclusive but merely an overview. It does not alter, amend or change your coverage. Please refer to specific policies for limits, terms, conditions and exclusions.

cc: Risk Management Consultants
Fund Professionals
Fund Executive Directors

**2019 FIREWORKS DISPLAY/AMUSEMENT RIDE REQUIREMENTS
MUNICIPAL EXCESS LIABILITY JOINT INSURANCE FUND**

The following information must be filed with and approved by the MEL Underwriting Manager prior to the event:

- 1) Copy of contract between the fireworks/amusement ride contractor and the member entity. As respects to fireworks displays, some of the contracts we see with the various contractors are silent or ambiguous as to who is responsible for policing the fireworks display and searching for and disposing of unfired fireworks. When submitting your fireworks paperwork to us for approval we will be looking closely at each contract for this. If the contract is silent or ambiguous as to who is responsible for policing the fireworks display and searching for and disposing of unfired fireworks, we will be requesting that you obtain an addendum to the contract or a letter from the contractor on their letterhead stating that they will be responsible for policing the fireworks display and searching for and disposing of unfired fireworks.

- 2) Certificate of insurance from contractor to include the following information:
 - General liability limits of \$1,000,000 per occurrence combined single limit for bodily injury and property damage with at least \$2,000,000 general aggregate. Contractual liability must be included.
 - Automobile liability limits of \$1,000,000 per occurrence combined single limit for bodily injury and property damage with no aggregate.
 - Workers Compensation at Statutory limits
 - Employers Liability at minimum limits of \$500,000.
 - Umbrella liability limits of \$4,000,000 are strongly recommended, sitting excess of the General Liability, Automobile Liability and Employers Liability coverages.
 - The member entity and any associations, recreations or committees formed by the member entity to organize the "event" must be named as additional insureds on the General Liability, Automobile Liability and Umbrella Liability coverages.
 - Rain date, if applicable, should also be shown on the description section of the certificate of insurance.

Garden State Fireworks will send a blank certificate on an annual basis for WC and Auto. As such, these two items no longer need to be collected from our members when using Garden State Fireworks.

- 3) An executed hold harmless agreement in favor of the member entity must be signed by the fireworks/amusement ride contractor. Enclosed is suggested hold harmless agreement wording to be used by the fireworks display contractor and amusement ride contractor. The Fund will not accept a "Null and Void" clause in favor of the contractor as part of the hold harmless agreement. Any additional hold harmless/indemnification language in any agreement contradictory to the wording enclosed shall be removed.

- 4) As respects to mechanical amusement rides/devices, the contractor will need to provide proof of registration of its amusement ride equipment, as well as a copy of the contractor's permit application for the rides being utilized for the member sponsored event. Once the equipment is delivered to the event site, the member should confirm that the actual permit is affixed to the equipment. To confirm that the amusement vendor is registered, as required by the State, the member can visit the NJDCA website at http://www.state.nj.us/dca/divisions/codes/publications/pdf_rides/permitted_rides.pdf.

5) As stated above, mechanical amusement rides/devices are required to be licensed by the State of New Jersey. Mechanical amusement rides/devices are defined as any amusement ride required to be licensed by the State of New Jersey which includes any mechanical device or devices, including but not limited to water slides exceeding 15 feet in height, which carry or convey passengers along, around, or over a fixed or restricted route or course for the purpose of giving its passengers amusement, pleasure, thrills or excitement; and any passenger or gravity propelled ride when located in an amusement area or park in which there are other amusement rides. Mechanical amusement rides/devices are also defined to include the following pursuant to the New Jersey Department on Community Affairs, concerning Carnival and Amusement Ride Safety Act P. L. 1975 C105 as amended on July 20, 2001, and New Jersey Administrative Code, Title 5. Community Affairs, Chapter 14A. Carnival-Amusement Rides, N.J.A.5:14 A (2014), N.J.A.C. §5.14A-1.1:

- Small truck kiddie rides as defined under N.J.A.C. §5:14A-1.2, and inflatable bounce houses, moonwalks, inflatable slides, and other inflatable attractions, which allow riders to bounce, slide, and/or to be supported by them, as defined under N.J.A.C. §5:14A-1.2, and §5:14A-13.1, "Inflatable Rides" subchapter.
- The rental or lease of Inflatables – Inflatables are considered an amusement ride. DCA's web site lists rental firms and those inflatables that already have a DCA permit. Be sure the inflatable you want to rent is on the list.

http://www.state.nj.us/dca/divisions/codes/publications/pdf_rides/permitted_rides.pdf

A ride inspection must take place prior to using the inflatable.

NOTES: The attached checklist can be used as a guide in making sure that a complete submission is being made by the member to the MEL Underwriting Manager.

The fireworks display/amusement ride submissions should be e-mailed to MEUnderwritingSvcCntr@connerstrong.com or faxed to (732) 736-5274 for review and approval no later than three weeks prior to the event. If you have any questions please contact the MEL Underwriting Manager team.

FIREWORKS DISPLAY
HOLD HARMLESS AGREEMENT

Between the Borough/Township/City/County of _____
and _____ (Contractor).

WITNESSETH:

1. _____ (Contractor) agrees to release, indemnify and hold harmless the Borough/Township/City/County of _____ from and against any loss, damage or liability, including attorneys' fees and expenses incurred by the latter entities and their respective employees, agents, volunteers or other representatives arising out of or in any manner relating to the manufacture, installation, firing or disassembly of any pyrotechnic equipment or device and/or the supervision and presentation thereof.

2. The applicant has furnished the Certificate of Insurance with limits of liability described below:

Workers Compensation/Employers Liability: _____

General Liability: _____

Automobile Liability: _____

Umbrella Liability: _____

A true copy of the Certificate of Insurance is attached indicating the member entity and applicable associations, recreations or committees formed by the member entity to organize the "event" must be named as additional insured on all liability policies.

3. The facilities will be used for the following purpose and no other:

Event: _____ Date: _____ Rain Date: _____

Dated: _____ Signed: _____
Authorized Signature of the Contractor

Witness: _____

AMUSEMENT RIDES

HOLD HARMLESS AGREEMENT

Between the Borough/Township/City/County of _____
and _____ (Contractor).

WITNESSETH:

1. _____ (Contractor) agrees to release, indemnify and hold harmless the Borough/Township/City/County of _____ from and against any loss, damage or liability, including attorneys' fees and expenses incurred by the latter entities and their respective employees, agents, volunteers or other representatives arising out of or in any manner relating to the installation, operation, use, or disassembly of any amusement ride equipment or device and/or the supervision thereof.

2. The applicant has furnished the Certificate of Insurance with limits of liability described below:

Workers Compensation/Employers Liability: _____

General Liability: _____

Automobile Liability: _____

Umbrella Liability: _____

A true copy of the Certificate of Insurance is attached indicating the member entity and applicable associations, recreations or committees formed by the member entity to organize the "event" must be named as additional insured on all liability policies.

3. The facilities will be used for the following purpose and no other:

Event: _____ Date: _____ Rain Date: _____

Dated: _____ Signed: _____

Authorized Signature of the Contractor

Witness: _____

MEL UNDERWRITING MANAGER SUBMISSION CHECKLIST

TOWN: _____

JIF: _____

VENDOR: _____

DATE OF EVENT: _____

RAIN DATE (IF APPLICABLE): _____

RMC OR MUNICIPALITY E MAIL ADDRESS: _____

_____ (1) Copy of Complete Contract (As respects to fireworks, the contract should indicate that the Fireworks Contractor is responsible for the inspection, clean up and disposal of any unexploded aerial shells or live components, as required under NFPA 1123, 1995 edition, Section 4-1.12).

_____ (2) Hold Harmless Agreement

_____ (3) Certificate of Insurance for General Liability naming member as Additional Insured

_____ (4) Certificate of Insurance for Workers Compensation and Automobile

_____ (5) A letter from the Fireworks contractor indicating that they are responsible for the inspection, clean up and disposal of any unexploded aerial shells or live components, as required under NFPA 1123, 1995 edition, Section 4-1.12. THIS LETTER IS ONLY NECESSARY IF THE CONTRACT, AS STATED IN (1) ABOVE, DOES NOT INCLUDE THIS STATEMENT. (This applies to Fireworks Displays only).

_____ (6) Proof of registration of amusement ride equipment, as well as, a copy of the contractors permit application for the rides being utilized for the member sponsored event. Once the equipment is delivered to the event site, the member should confirm that the actual permit is affixed to the equipment. (This applies to Amusement rides only).

The fireworks display/amusement ride submissions should be e-mailed to MEUnderwritingSvcCntr@connerstrong.com or faxed to (732)736-5274 for review and approval no later than three weeks prior to the event. If you have any questions please contact the MEL Underwriting Manager team.