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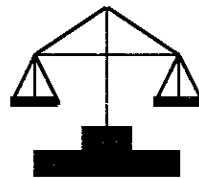


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## **THE MEETING PROFESSIONAL'S GUIDE TO LIABILITY AND RISK MANAGEMENT**

*Protecting Your Organization from Loss and Liability*

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### John Foster, Esq., CHME

#### BIO AND PROFESSIONAL BACKGROUND



**JOHN S. FOSTER, ESQ. CHME** is an attorney and counsel whose firm FOSTER, JENSEN & GULLEY, LLC specializes in the legal aspects of meetings & conventions, trade shows & events, and association management. He has been an associate or general counsel for over four hundred (400) national and regional associations and companies since 1986 and has been named as one of the 25 most influential people in the meetings industry by MeetingNews. His peers have also voted John a Special Recognition Award as “Corporate Member of the Year” through the Georgia Society of Association Executives. Professional Convention Management Association (PCMA) Members voted John special recognition as its “Author of the Year” for his frequent contributions to Convene magazine. John has also been selected as a Subject Matter Expert (SME) for the Meeting Professionals International (MPI) peer-to-peer assistance program, a select member of the MPI Advisory Panel, a Platinum Speaker for Meeting Professionals International (MPI) and a Best in Class Speaker for the Professional Convention Management Association (PCMA).

John is currently Meeting Professionals International’s (MPI – Dallas Headquarters) outside legal counsel for industry contracts and handling other legal issues.

John’s professional experience includes twelve (12) years as a director of sales and marketing for Hyatt Hotels and Resorts, Marriott Hotels and Resorts, and Holiday Inns and he holds the Certified Hospitality Marketing Executive (CHME) designation from HSMAL.

John has been an adjunct professor at Georgia State University and a guest lecturer at the University of Oklahoma, Arizona State University, University of North Carolina, and Kennesaw State University in their respective meeting management programs. John handles in-house legal training as well as contract preparation and negotiations for corporations and associations nationwide. He is a well-known expert in the hospitality and association industries and he speaks frequently at industry events. His office is in Atlanta, Georgia.

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FROM MEETING PLANNER TO RISK MANAGER:

# Convention Risk Management and Insurance 101

*Whether it's a blackout, earthquake, disease epidemic, theft, or an injured attendee who files suit, the risk of disaster for unwary meeting sponsors is greater than ever*

BY JOHN FOSTER, ESQ., CHME

he general litigation explosion that has hit our society in recent years certainly has not missed the meetings industry. A meeting planner is now not only responsible for booking guest rooms and meeting space, choosing menus, and hiring speakers, but also for protecting the sponsoring organization from risk and ensuring, to the extent possible, the safety and well-being of the participants

once they get to the meeting. In short, meeting planners are also risk managers.

Risk management starts by asking four basic questions: What can go wrong? What can be done to prevent harm from occurring? What steps should be taken if harm does occur? Where will the money come from?

Risk of loss to meeting sponsors from accidents and disasters generally falls into five categories: 1) property and casualty losses from theft, 2) damage or destruction to property from negligence, intentional acts, or natural causes such as fires, floods, or hurricanes, 3) personal injury to staff, attendees, or participants, including damage to reputations, 4) economic losses from cancellation of the event because of acts of God, i.e., natural causes or other events caused by third parties, and 5) contractual liability from cancellation or attrition. (The subject of negotiating and wording meeting contracts is not dealt with in this article because of the uniqueness of such contracts.)

## Planners' Legal Duties

Lawsuits in the meetings industry have resulted in four legal duties that meeting sponsors owe to attendees and participants:

- Investigate all aspects of the event and take appropriate action.

- Inform and warn attendees and participants of known hazards.

- Plan for the safety and well-being of every attendee and participant.

- Take precautions to not subject attendees and participants to unreasonable risks of harm.

These duties are collectively known as the "duty of reasonable care." The law does not require that we be perfect in conducting our business, but it does require that each one of us conduct our affairs without negligence. Negligence occurs when a duty of reasonable care is owed to someone and that duty is not exercised. If the failure to exercise the duty of reasonable care causes harm or loss to someone who was owed the duty, liability for neg-

ligence can attach to the organization or person causing the harm or loss.

### **Risk Management 101**

Risk management is a set of guidelines for dealing with the possibility that some act or occurrence in the future may cause harm. Risk management techniques and strategies recognize and confront that possibility by taking proactive steps to prevent or deal with the harm.

Managing risk is a process, not just an end result. Smart planners will utilize the process and incorporate it into every meet-

- Assume some of the risk when necessary.
- Transfer the risk to another party through "hold harmless" and indemnification clauses.
- Minimize the risks through loss-control measures before and after the event.
- Insure against the risks that cannot be avoided, assumed, or transferred.

### **Insurance 101**

No matter how careful you are, you still can't plan your way around every hazard. That is the role of insurance. Insurance is only one of the basic steps of risk man-

**No matter how careful you are,  
you still can't plan your way around every hazard.**

ing they plan. The process can be summarized as follows: 1) acknowledge and identify risk, 2) evaluate and prioritize each risk, 3) decide how to manage each risk, 4) implement the risk management plan, and 5) review and revise the plan as needed.

The classic risk management strategies that meeting managers should adhere to include:

- Avoid risks whenever possible.

agement, but it should be included in every sponsoring organization's risk management program. Buying insurance can be costly, but not buying it can be the most expensive mistake a meeting professional makes.

Claims made by or against meeting sponsors fall into three general categories: 1) claims and lawsuits filed against the meeting sponsor and its staff for injuries to

## **8 Tips on Purchasing Insurance**

**1** Do a risk/benefit analysis to determine if insurance coverage is desirable. If the total premium for the regular convention cancellation policy and the terrorism coverage is \$10,000, for instance, and your company or association stands to lose \$250,000 or more in net revenue or non-refundable expenses, you have to decide if your organization can absorb this loss with its current assets or whether it is a better bet to pay the premium and add the \$10,000 to the cost of the meeting. It's not an easy decision. However, if you are talking about an annual meeting intended to generate 75 percent of the association's annual operating budget, then the picture becomes a little clearer that the insurance is a good deal.

**2** Identify needed coverage by brainstorming with your staff to determine everything that could go wrong with the events for which you would need insurance. Your attorney also can help you identify potential areas of liability.

**3** Shop early. Liability insurance can be difficult to obtain in some markets, and the earlier you start shopping for it, the easier it will be to locate. The last thing you want to do is shop for insurance when your meeting is right around the corner and you've got to have it.

**4** Use insurance brokers that are familiar with the meetings industry. This will save you the time and trouble of explaining all the aspects of your business to an insurance broker who knows nothing about the industry or, even worse, being sold insurance that you don't need or that isn't appropriate for your business.

**5** Compare policies, not just prices. It's important to know not only what the insurance policy covers but also what the exclusions are and whether a different policy would be better suited to your needs. The prices will differ according to your organization's claim history and the features of the policy.

**6** Get quotes at different levels of deductible. The higher the deductible, the lower the premium. Take as high a deductible as your organization can afford.

**7** Understand the difference between "occurrence form coverage" and "claims-made coverage." Occurrence form coverage will apply any time the loss is claimed as long as the loss occurred during the time the policy was in effect. Claims-made coverage is more restrictive in that it only covers timely claims that are made during the actual policy period. If a policy lapses and a claim is made against the insured, there is no coverage.

**8** Reduce your future premiums by using good risk management techniques and by sharing them with your insurance carrier. Putting your risk management policies in writing will not only show the insurance carrier that you are a good risk, it also will reduce your claims and keep your premiums in line in the future. — J.F.

third parties due to accidents, 2) claims for loss of or damage to property owned by the meeting sponsor, and 3) claims made by the meeting sponsor for cancellation of an event due to a covered peril.

There are different types of insurance policies and coverages to address these different categories. A summary of each follows:

**Commercial General Liability (CGL).**

This insurance is a must for all meeting sponsors. A typical CGL policy provides protection against claims involving bodily injury or death; damage to property owned, occupied, or rented by the meeting sponsor as well as property in the sponsor's care, custody, and control (as long as the premises rented or used by the meeting sponsor is for seven consecutive days or fewer); and personal injury to third parties caused by an accident.

In general, most injuries and losses are covered unless specifically excluded. Most CGL policies will cover liquor liability situations as long as selling, serving, or furnishing liquor is not the main business of the insured party. This limited coverage for liquor can be broadened with an endorsement to the policy. CGL policies also cover libel, slander, and false arrests. Fire dam-

age to the rented premises caused by the meeting sponsor's negligence is also covered. Liability assumed in a contract (i.e., hold harmless agreement) for bodily injury or property damage also is covered, with the exception of damage to rented premises caused by fire. Finally, this coverage will pay all expenses, including attorney fees, to defend a claim against an insured party up to the limits of the policy.

CGL policies also cover medical expenses for bodily injury caused by an accident on any premises the meeting sponsor owns or rents. Excluded are medical expenses for bodily injury to employees; these expenses are better covered by workers' compensation policies.

An optional rider is available to trade show sponsors for exhibitor liability. This expense can be passed on to exhibitors in a separate contract or exhibitors can be required to purchase it on their own.

Every CGL policy has a long list of exclusions of which policyholders must be aware. In most cases, there are other policies or endorsements that are better suited for losses excluded under CGL policies. Typical exclusions include: liability for injury or property damage arising from

automobiles and watercraft, liability from intentional or criminal acts, damages to the meeting sponsor's products, bodily injury or property losses due to war, injuries sustained by a participant in an athletic contest, and liability for failure to adequately protect against terrorist attacks. (Terrorism coverage is available in a stand-alone policy but is very expensive.)

There are other optional coverages,

(covers employee theft and embezzlement), and theft of property by a non-employee.

A policy for the use of an automobile by the staff during a meeting should also be considered. This type of policy is referred to as a Business Auto Policy. An extension of this policy is coverage for non-owned and hired automobiles (rental cars). It is also important to have Uninsured and Underinsured Motorist Coverage in the

## **Every CGL policy has a long list of exclusions of which policyholders must be aware.**

enhancements, and exclusions that apply to CGL policies. Consult with your insurance broker for more information.

**Basic Property Insurance.** This coverage is intended to be broader than a CGL policy in its coverage of property owned by an insured party. Property covered includes: buildings, valuable papers (handouts, brochures, printed proceedings, etc.), money and checks, computer equipment, lost income, personal property, accounts receivable, property in transit to or from the event, property belonging to others, fidelity bond

event that a staff person is involved in an accident with an uninsured driver. Medical Payments Coverage should be considered as well as coverage for physical damage to a hired automobile.

**International Property and Casualty Insurance.** This type of policy is becoming popular as domestic companies and associations plan more international meetings and events. It can include property, liability, foreign voluntary compensation, employer's liability repatriation, travel services, accidental death and dismember-

ment, medical, political evacuation, and kidnap and extortion coverages all in one. Common exclusions to this coverage are war and terrorism.

**Convention Cancellation Coverage.** Even the pros can't plan their way around strikes, fires, floods, snowstorms, hurricanes, black-outs, or other unforeseen hazards not within the planner's control. Convention cancellation insurance will protect against lost profits and expenses if the meeting or event cannot go on because of unforeseen events like these. For example, if a major airline strike, or strike at the headquarters hotel or convention center, causes your event to be either canceled,

cancellation policies now cover cancellation, interruption, or postponement of an event caused by terrorism, including bioterrorism, threats, fear of travel, or prohibition of travel by employers. Coverage is limited to sub limits, location, and time period for any terrorist act.

A meeting sponsor purchasing convention cancellation insurance has three levels of terrorism coverage from which to choose: no coverage, full coverage for any act of terrorism whenever and wherever it happens, and partial coverage. The level of coverage chosen determines the cost of the policy. Full coverage is preferred but is very expensive. With

## **The role of insurance is to not only pay off claims, but also to provide funds for defense if a frivolous lawsuit is filed and a defense versus a settlement is appropriate.**

postponed, or relocated, this coverage would pick up the tab. This insurance will also cover the non-appearance of a principal speaker or entertainer provided that, in the case of an entertainer, the performance was not the principal purpose of the event.

Some forms of this insurance will cover additional expenses resulting from the meeting sponsor's failure to vacate the facilities at the scheduled termination of the meeting due to unexpected causes beyond the control of the meeting sponsor. Also covered is cancellation due to adverse weather, physical loss, or damage to property at an airport location where either airline cancellations or schedule reductions occur.

Furthermore, some convention cancellation policies will exclude known hazards inherent to a specific locale, such as earthquakes in California. Also excluded from this coverage are war or the threat of war, losses from radioactive contamination or other industrial pollution, and variations in the rate of exchange or stability of any currency. These are uninsurable risks even the insurance companies won't touch.

Additionally, no coverage is offered for losses due to the financial failure of any venture; inadequate receipts; lack of response or withdrawal of support by sponsors, financial supporters, or exhibitors; lack of attendance, unless caused by a covered act of God; financial default or insolvency; and failure to pay any person or corporation whether or not they are a party to the insurance.

**Terrorism Coverage.** Typical convention

partial coverage, the act of terrorism must occur within 25 miles of the meeting venue, the meeting must be scheduled to take place within 30 days of the terrorism event, and there is a cap of \$250,000 payout per meeting.

### **The Bottom Line**

Any loss of or damage to property, harm to people, or liability for damages incurred through contractual liability could spell financial disaster to a meeting sponsor.

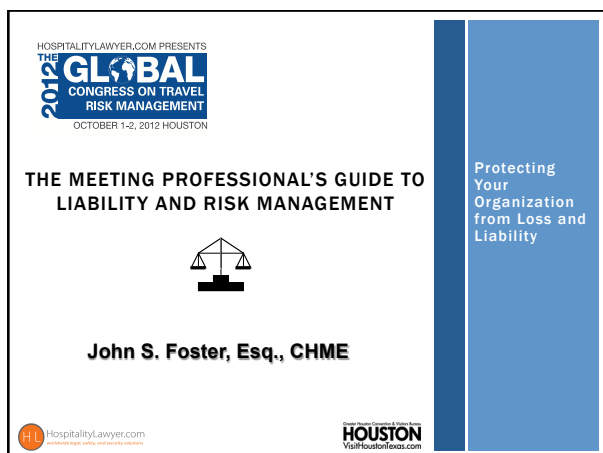
The role of insurance is to not only pay off claims, but also to provide funds for defense if a frivolous lawsuit is filed and a defense versus a settlement is appropriate. Legal fees and court costs can mount up quickly and insurance should be there to provide for peace of mind. Furthermore, the cost of insurance will be more reasonable if you practice all risk management strategies over and above just purchasing insurance. ■

**John Foster, Esq., CHME**, is an attorney and counsel whose firm specializes in the legal aspects of meetings and conventions, trade shows and events, and association management. He is the legal columnist for *Convene*, and the author of *Meeting & Facility Contracts*; *Meetings & Liability*; *Independent Meeting Planners & the Law*; and *What Every Hotelier Must Know about Legal Affairs Management*.

**DISCLAIMER:** This article does not discuss all of a meeting sponsor's insurance needs. It is also not intended to take the place of advice given by an insurance broker and an attorney familiar with the specific circumstances and needs of your meeting and the sponsoring organization.

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# The Meeting Professional's Guide to Liability and Risk Management



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- Consultant and counsel to **Associations, Trade Show & Event Sponsors, Meeting & Convention Professionals**
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# The Meeting Professional's Guide to Liability and Risk Management

## What We Will Discuss

- Three major areas of the law
- Typical losses and liability affecting meetings
- Four questions that have to be answered before every event regarding risk and liability
- Security planning vs. Liability planning

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## What We Will Discuss

- Four legal duties meeting sponsors and planners have to staff and attendees
- Five Risk Management steps
- Putting Risk Management into practice

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## Major Areas of the Law Important to Meeting / Convention / Trade Show Sponsors

- **CONTRACTS**  
(Hotels, Convention Centers, Other Vendors)
- **NEGLIGENCE LIABILITY**  
(Injury to Persons, Damage to or Loss of Property)
- **STATUTORY COMPLIANCE**  
(Federal, State and Local )  
(ADA, Music Licensing, Dramshop, SOX etc.)

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# The Meeting Professional's Guide to Liability and Risk Management

## Typical Losses and Liability Affecting Meetings, Conventions & Trade Shows

### FOUR CATEGORIES:

- **Property** losses from theft
- Damage or destruction to **real or personal property** (from *negligence, intentional acts, or natural causes*)
- **Injury to Staff, Attendees or Third-parties and Damage to Reputations**
- **Economic losses** from Cancellation, Attrition (*under-performance*) and Termination of the event because of acts of God or other events caused by third parties

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## Understanding Risk Management

### Risk Management Basics

#### ➤ What is Risk Management?

- Risk management is a discipline for dealing with the **possibility that some future act or occurrence will cause harm or loss**

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## Risk Management Planning

### Four Questions That Must Be Answered (4 Ws)

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# The Meeting Professional's Guide to Liability and Risk Management

## Risk Management for Meeting Professionals

### Security Planning + Liability Planning



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## Putting Risk Management Into Practice / Loss Control

- **Security Planning Objectives (Meeting Sponsors)**
  - Provide a **safe and secure environment**
  - Protect **people and property**
  - Monitor **admission and access policies**
  - Request **assistance from law enforcement** when needed

Continued.....

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## Risk Management / Avoiding Liability

- **Liability Planning Objectives (Meeting Sponsors)**
  - Implement **risk management techniques** to avoid loss, damage or injury to staff or attendees
  - Document **risk management steps taken** so that evidence exists to **defend against** a claim of **negligence**
  - Know **where the money will come from** to defend against and/or **pay a claim**

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# The Meeting Professional's Guide to Liability and Risk Management

## Negligence = Liability

- We are **not required by law** to be **perfect** at what we do
- The law requires us to conduct our affairs **without negligence** by exercising **reasonable care**

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## Negligence Liability

**Four Elements must co-exist:**

- A Duty of **Reasonable Care**
- **Breach** of the Duty
- **Proximate Cause**
- Resulting in **Injury or Damage**

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## Duty of Reasonable Care

The degree of care used by a **reasonable person** given the **same or similar circumstances**

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# The Meeting Professional's Guide to Liability and Risk Management

## Duty of Reasonable Care for Professionals

If you hold yourself out as a **professional**, you have a higher **Duty of Reasonable Care** to those who rely on your extra training and experience

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## Legal Duties Meeting Sponsors Have to Attendees and Staff

- The Duty to **INVESTIGATE** all aspects of the event and **ACT** accordingly
- The Duty to **INFORM** and **WARN** attendees of known hazards as may be necessary
- The Duty and Responsibility to **plan** for the **SAFETY** and **WELL-BEING** of every attendee
- The Duty not to subject attendees to **UNREASONABLE RISKS OF HARM**

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## The Bottom Line

### Meeting Professionals:

You can be held **liable for negligence** if someone or some thing is injured, damaged or lost because of a **professional decision you made**

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# The Meeting Professional's Guide to Liability and Risk Management

## Negligence from Third Parties Can Affect Meeting Sponsor's Liability

### Liability can come from:

- The Facility (Hotel, Convention Center)
- Other Suppliers & Exhibitors (Decorators, AV and Special Event Companies)
- Transportation Carriers (Airlines, Buses, Hot Air Balloons, etc.)
- Attendees
- Uninvited Parties (Trespassers, Union Members, Terrorists)

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## Risk Management Techniques

- **Avoid** the Risk
- **Retain** a Portion of the Risk
- **Transfer** the Risk to Someone Else
- Institute **Loss Control** Measures
- **Insure** Against the Risk

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## Cases Involving Meeting & Travel Professionals

- **Chilko River Case**
- **Hotel Sued Over Beating** (Cerasoli vs. Westin)
- **Meeting Sponsor and Hotel Sued by Attendee for Attack By Other Attendees** (Coughlin vs. Las Vegas Hilton)

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COURTROOM.

## Risky Business: Liability 101

*How prepared are you to recognize and prevent recreation-related liability at your resort meetings?*

By Regina McGee

Chitina River in British Columbia, A. B. C. is a beautiful place. It has a 520-million-ha forest against 141 km of coastline. We should be there every day. The scenery there is beautiful. The water is clean. The air is fresh. The people are friendly. The food is delicious. The accommodations are comfortable. The activities are exciting. The prices are reasonable. The service is excellent. The overall experience is unforgettable.

A tragic incident took place eighteen months ago, in which Robert Goldberg, vice president of advertising for the hotel and casino chain, died. The incident occurred while he was participating in a recreational activity. The incident was a result of a lack of proper safety measures and a failure to recognize and prevent recreation-related liability.

With activities ranging from mountain climbing to water skiing, resorts are becoming increasingly common. The popularity of these activities is growing rapidly. As a result, the potential for liability is also growing. It is important for resort owners and managers to be aware of the risks involved in these activities and to take steps to minimize the potential for liability.

There are several ways to minimize the potential for liability. First, it is important to have a clear policy regarding liability. This policy should be written and should be communicated to all employees and guests. Second, it is important to have proper safety measures in place. This includes having trained staff, proper equipment, and clear instructions. Third, it is important to have proper documentation. This includes having a log of all activities, a record of all incidents, and a record of all safety measures.

By following these steps, resort owners and managers can minimize the potential for liability and ensure a safe and enjoyable experience for all guests.

# The first of the Chilko River lawsuits comes to trial this month

## Outings On Trial

BY JEANNE POLK

**T**he meetings industry anxiously awaits the outcome of a case that could change the face of company outings for years to come. On Nov. 5, a federal judge in Chicago will begin to hear testimony describing a chilling tragedy that took the lives of five top marketing executives purportedly on a company outing sponsored by the Chicago-based ad agency DDB Needham Worldwide.

In August 1987, the story goes, 11 client executives and business associates took the mule of a six-year-old Neill Indian, one in which executives at the agency invite current, former and prospective clients on informal outdoor expeditions such as hike, swamp tours and go-white-water rafting. The group took the Chilko River, a tributary of the Skeena River, to a 12-mile stretch of relentless white-water rapids called Lava Creek.

Avoiding the rapids, the group spent a day in separate activities, only to join together for a group rafting trip down the Chilko on the second day took on one of the rapids. When

**Hazardous outings, like the Schlemmer rafting trip pictured here, could be squelched by the Chilko suits.**

ing life jackets—never surfaced.

Those who drowned that day included Robert Goldstein, vice president-advertising; Foster & Gamble CEO Richard O'Reilly, who headed the ad in-house campaign against drug abuse; Stuart Sharpe and Gene Weisner, both senior vice presidents and directors of account management at DDB Needham Worldwide; and James Fasulos, a retired DDB Needham executive.

Three years later, the first of three lawsuits filed against DDB Needham and parent company Omnicom Group is coming to trial. Brought by the family of Fasulos, the suit seeks to prove that the Chilko outing was a company-sponsored event, and that the necessary precautions for such a dangerous outing were lacking. Because the trip was allegedly arranged by Neill's then-

**Failed to investigate the weather and river conditions at the time of the planned trip.**

**Failed to hire a licensed river guide or outfitter.**

**actively misrepresented the safety of white-water rafting on the Chilko River.**

**Failed to provide alternative transportation to those not interested in white-water rafting.**

**Failed to provide safety devices such as helmets, wet suits and life jackets with coast guards.**

**Overlooked the raft, and**

**Failed to provide rafts, safety belts or sports gear in event of an accident.**

Citing the pending lawsuits, DDB

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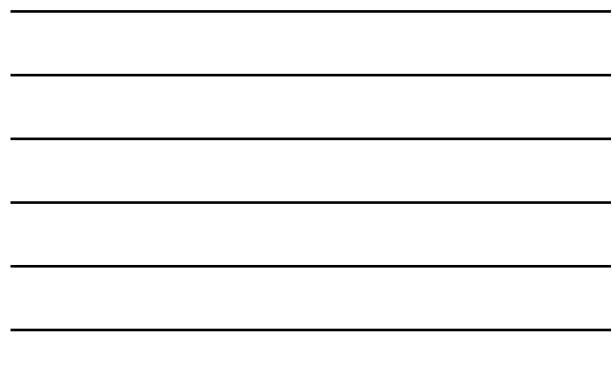
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# The Meeting Professional's Guide to Liability and Risk Management

## Putting Risk Management Into Practice / Avoiding the Risk

### Plan for Health, Safety and Property Issues First

- Always remember that **meeting sponsors and planners owe legal duties** to their staff and attendees
- Use a **safety & security checklist** on site inspections

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## Putting Risk Management Into Practice / Avoiding the Risk

### Plan for Health, Safety and Property Issues First

- **Check out all vendors** regarding their reputations for safety, before you sign the contract
- **Do not sign contracts** that transfer **unreasonable risks** to your organization

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## Putting Risk Management Into Practice / Avoiding the Risk

### ➤ Plan for Health, Safety and Property Issues First

- **Form a risk management committee** or use a checklist to consider what could possibly go wrong at the event and what will be done
- **Communicate risks and solutions clearly with:**
  - Attendees, Exhibitors and Staff
  - Facility Personnel and Vendors

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# The Meeting Professional's Guide to Liability and Risk Management

## Putting Risk Management Into Practice / Loss Control

### ➤ Plan for Health, Safety and Property Issues First

- A **meeting sponsor's duty** is to use the facility / vendor with the **best record for safety**, everything else being equal (*Remember the Ford Pinto!*)

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## Putting Risk Management Into Practice / Avoiding the Risk

### ➤ Focus on Contract Terms

- Include a comprehensive Force Majeure clause (**Termination and Excuse of Performance**)
- Use terms in supplier contracts making the supplier responsible for the **acts or omissions of their agents and employees**
- If **privacy and confidentiality** are important to your meeting require facility to comply in the contract

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## Putting Risk Management Into Practice / Loss Control

### Plan for Health, Safety and Property Issues First

- Have On-site **Nurse / paramedic** for large groups
- Have a **crisis committee** pre-established at the event to be assembled quickly in an emergency. Have a disaster plan and assign responsibilities in advance

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# The Meeting Professional's Guide to Liability and Risk Management

## Putting Risk Management Into Practice / Loss Control

### Plan for Health, Safety and Property Issues First

- Ask attendees for emergency information and who to contact. Place on back of badge
- Know who on the Facility Staff is trained to do what

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## Putting Risk Management Into Practice / Loss Control

### Plan for Health, Safety and Property Issues First

- Provide security for larger events
- Make security personnel responsible for monitoring access to show floor
- Make Attendees and Exhibitors contractually responsible for their own lost property

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## Putting Risk Management Into Practice / Loss Control

### Plan for Health, Safety and Property Issues First

- Monitor and control alcohol at all times and avoid mixing alcohol with sporting events

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# The Meeting Professional's Guide to Liability and Risk Management

## Putting Risk Management Into Practice / Transfer the Risk

### Indemnification and Hold Harmless Agreements

#### Key Understanding:

The purpose of an **Indemnification and Hold Harmless clause** is for one party (**Party A**) to **defend or compensate** the other party (**Party B**) from liability damages resulting from the conduct **Party A**

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## Putting Risk Management Into Practice / Transfer the Risk

### Indemnification and Hold Harmless Agreements

- **Outsource certain activities** to specialized Vendors and require indemnification
- Require all vendors to **add the meeting sponsor to the vendor's insurance** and require **certificates of insurance**
- **Require attendees** who participate in hazardous activities to **sign a Release and Waiver** with specific details

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## Putting Risk Management Into Practice / Transfer the Risk

### Indemnification and Hold Harmless Agreements

- Insert **disclaimers** in registration materials for the acts or omissions of your vendors
- Require Facilities to be responsible for **all security in the common areas** – both inside and outside the building

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# The Meeting Professional's Guide to Liability and Risk Management

## Putting Risk Management Into Practice / Transfer the Risk

- Purchase insurance to handle the risks that cannot be avoided, controlled or transferred
- Require both parties to a contract to have insurance and hold harmless the other party for the acts and omissions of either party against third party claims
- Negotiate for both parties to limit their liability for property damage to the other party's property to the amount of insurance required of each party

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## Types of Insurance Meetings, Conventions, Trade Shows, and Expositions

### ➤ First Party Coverage

- Fire and Allied Insurance
- Business Auto Policy (BAP)
- Employee and Consultant Fidelity

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## Types of Insurance Meetings, Conventions, Trade Shows, and Expositions

### ➤ Third Party Coverage

- Event Cancellation (Can add Terrorism Coverage)
- Special Event Liability / Commercial General Liability (CGL)
- Broad Form Property Liability
- Commercial Umbrella

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# The Meeting Professional's Guide to Liability and Risk Management

**Types of Insurance**  
**Meetings, Conventions, Trade Shows, and Expositions**

➤ **Third Party Coverage**

- Worker's Comp
- Medical Insurance
- Product Liability Insurance
- Data Processing E&O Insurance

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**Types of Insurance**  
**Conventions, Trade Shows, Expositions**

**Miscellaneous:**

- Valuable Papers Insurance
- Independent Contractors Coverage

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**ANY QUESTIONS ?**



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