

POLICY DEFINITIONS

Liability insurance is a part of the General Liability system of protecting the purchaser (the "insured") from the risks of liabilities imposed by lawsuits and similar claims. It protects the insured in the event he or she is sued for claims that come within the coverage of Insurance Policy. Liability insurance is designed to offer specific protection against third party insurance claims, i.e., payment is not typically made to the insured, but rather to someone suffering loss who is not a party to the insurance contract. In general, damage caused intentionally as well as contractual liability is not covered under liability insurance policies. When a claim is made, the insurance carrier has the duty (and right) to defend the insured. The legal costs of a defense normally do not affect policy limits unless the policy expressly states otherwise; this default rule is useful because defense costs tend to soar when cases go to trial. Standard General Liability polices exclude Participants. The coverage below is added to include them.

Participant Legal Liability – Provides bodily injury and property damage protection in the event of lawsuits brought by participants. Insured must obtain signed waiver and release of liability forms from all persons allowed into the restricted areas.

Participant Accident

Participant accident medical coverage is provided for insured persons participating in racing events held at tracks which include: practice, tuning and testing, qualifying for racing and driving schools that have been endorsed onto the policy and for which appropriate premium has been paid. Participant Accident coverage is a "no fault" coverage that can be used as a buffer to resolve injured participants without the necessity of litigation.