

# Sample: Best's Underwriting Guide

*Best's Underwriting Guide* contains detailed reports on nearly 580 classifications and liabilities. See below for samples of some of the information available in each report. [Click here to review a full \*Best's Underwriting Guide\* report.](#)

## The Best's Hazard Index

Racquet and Fitness Clubs		Original: August
<b>BEST'S HAZARD INDEX</b>		
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## Risk Description

Racquet and Fitness Clubs	Original: August 4, 2
<b>RISK DESCRIPTION</b>	
<p>As consumers demand more services from athletic clubs, pure tennis operations are being replaced by racquet and fitness clubs, offering indoor tennis, racquetball, squash, handball, as well as exercise classes, weight-training programs, yoga, and weight reduction clinics. These businesses often are similar to health clubs, and the two classifications may very well overlap.</p> <p>In addition to tennis, racquetball, handball, and squash, racquet and fitness clubs offer a wide range of services, from exercise facilities (with stationary bikes, treadmills, rowing machines, and stair climbers) to lifestyle management courses (e.g., weight loss and senior health programs). Most clubs offer a variety of aerobic dance classes. Aerobic dance is a form of exercise that has evolved into many different styles of dance-oriented exercise routines. Clubs will offer high and low impact classes, "step" classes, in which one or more steps are added to increase difficulty, and "slide" classes, in which a special mat allows participants to slide from side to side creating a nonimpact workout. Most clubs will also have yoga and Pilates classes available for stress reduction. Many clubs today have "pro shops" where sports equipment and exercise apparel can be purchased and members' racquets can be repaired or re-strung. Larger clubs will offer all the services of their smaller counterparts, but will also have swimming pools and a variety of extra services, such as massage therapy, physical therapy/chiropractic services, beauty salons, and full-service restaurants. These, however, will not be discussed here; for the exposures and loss controls associated with any of these</p>	

## Narrative Lines of Liability

Racquet and Fitness Clubs

Update: August

### NARRATIVE LINES OF LIABILITY

#### *Automobile Liability*

The Automobile Liability exposure for racquet and fitness clubs will be slight. Staff members typically will use their own vehicles to travel to promotional or educational events or to run errands, and therefore, a nonowned vehicle exposure will exist. In a few cases, large clubs may own a van or car for such business-related purposes, especially if the insured club is part of a regional chain of clubs. Though unlikely, a few insureds may occasionally transport clients to the club, which will increase this exposure.

What are the number, age, type, and condition of the insured's vehicles? Generally, only insureds that operate larger clubs, or are part of a regional or national chain will use company-owned vehicles, such as SUVs or vans. Are personal vehicles ever used for company business? In most cases, the insured's employees will use their own vehicles for business-related travel. If this is the case, then a nonowned vehicle exposure will exist. Confirm the existence of underlying personal insurance at acceptable limits, as well as an MVR review.

What are the frequency of travel and radius of operations? In most cases, employees will run errands within a 10-mile radius once or twice a week. Does the insured operate more than one club, or is the insured part of a regional chain? If so, employees may travel between facilities in the course of a typical work day. Do the insured's employees ever attend seminars or conventions? Doing so will necessitate additional travel over a longer distance. Though unlikely, some clubs associated with resorts, operating within urban areas, or catering to a nondriving clientele may offer transportation to and from the racquet and fitness club. Does the insured offer such a service? If so, the Automobile Liability exposure will be increased. For more information,

## General Liability

Racquet and Fitness Clubs

Update: August

#### *General Liability: Premises and Operations*

Racquet and fitness clubs will have a significant General Liability: Premises and Operations exposure because of the number of people who visit these sites daily. Slips, trips, and falls are the most common. Claims of serious or fatal injuries may also arise from the improper use of equipment and facilities (i.e., pool, hot tub, saunas), or from the use of inferior or deteriorated equipment which is not designed and tested for everyday use. There is also the potential for slips and falls in wet areas, such as showers and pool sides. Members may also be injured while attempting to participate in classes that are advanced beyond their ability, working out without proper supervision, or working with heavy weights without a spotter. If the insured has climbing walls, then patrons could fall while climbing these walls. Injuries can range from sprains and broken bones to paralysis or death. Since a gray area may exist between General Liability: Premises and Operations and Professional Liability coverage, it is recommended that these policies be written by the same company in order to minimize possible disputes over claims coverage.

What is the layout of the premises? Typically, a racquet and fitness club will include: a reception area; a number of indoor racquet and handball courts; various rooms where aerobics, yoga, and other exercise classes are held; segregated locker rooms and showers for male and female members; a child-care center; a pro shop; a member lounge where vending machines, televisions, and possibly computers for members to access the Internet are located; an office, and restrooms. A growing number of clubs also have a weight training room; indoor and/or outdoor swimming pools; a snack bar or restaurant; saunas, steam rooms, spas, or hot tubs; a gymnasium where basketball, badminton, volleyball, and indoor soccer may be played, and outdoor tennis courts.

## Professional Liability

Racquet and Fitness Clubs

Update: August

### *Professional Liability*

The overall Professional Liability exposure for racquet and fitness clubs will be minor. Injuries as a result of improper instruction are usually sprains and strains, but there is also a possibility of serious injuries. This exposure will be higher for those clubs that hire their own personal trainers, rather than allow independent contractors to work on the racquet club's premises. A gray area exists between General Liability and Professional Liability exposures; it may be desirable for both coverages to be written by the same carrier for the same amounts.

What are the training and experience of all instructors, counselors, and lifeguards? Currently, there is no mandatory certification or training for aerobics instructors or personal trainers. Ideally, the insured's instructors and trainers will be certified by a nationally recognized organization. The racquet and health club industry is self-regulated, and most clubs will require their employees to be certified by one of three organizations - the American Council on Exercise (ACE), the American College of Sports Medicine (ACSM), and American Fitness Professionals & Associates (AFPA). The underwriter should assess the insured's employment requirements for trainers and instructors, and determine how job candidates are screened. How are new or inexperienced workers supervised?

Does the club offer sport instruction or personal trainers? If so, determine whether these instructors are employees or professionals who function as independent contractors. Do instructors and personal trainers advise members to stop exercising if they become overheated, dizzy, or if they experience shortness of breath or pain?

Aerobics classes are often determined by type (i.e., high or low impact, step, or slide), age, and ability. How many classes does the insured offer? Who instructs the classes? Ideally, aerobics classes should be taught

## Underwriter's Checklist

Racquet and Fitness Clubs

Update: August

### **UNDERWRITER'S CHECKLIST**

- Are all club members adequately supervised while using exercise, cardio-vascular equipment, tanning booths, and/or rock climbing walls? Is there an adequate number of staff on duty to actively monitor club activities?
- If the insured has rock climbing walls and/or tanning booths, is it in compliance with all federal, state, and local regulations regarding such activities?
- Are child-care facilities provided by the insured? What are the training and qualifications of the insured's child-care workers? What is the adult-to-child ratio?
- Are personal trainers employed by the insured, or are they independent contractors? Do all instructors and personal trainers hold proper certification from a nationally recognized organization?
- If the insured operates a pool on the premises, is a certified lifeguard on duty whenever the pool is open? Are safe diving rules posted near diving boards?
- When lifting weights, is each weight lifter assigned a "spotter" who can assist the member in an emergency?