Hanover Sports & Fitness Advantage

Fitness Centers Coverage Scenarios

Sports & Fitness centers like yours differ from other businesses in that they face many different and unique kinds of exposures to loss, such as loss to property, loss of business income from membership dues, food contamination, electronic vandalism or data breaches, and employee dishonesty.

The Hanover, in partnership with your insurance agent, has developed highly specific coverages aimed at minimizing your losses from areas you may never have considered at risk. These enhanced coverages are available at very competitive rates through your Hanover Agent, who can help you review them in detail.

Risk Review Checklist

Property Broadening Endorsements

Hanover’s Selection of Base Property Broadening Endorsements provide over 65 additional and expanded coverages, making ours one of the broadest offerings in the industry. With four different options—Bronze, Silver, Gold and Platinum—you can select the broadening endorsement that best meets your needs. Some of the unique features that are applicable for the Sports & Fitness industry include:

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<td>Outdoor Property</td>
<td>Did you know that exterior signs, and walkways are often not covered by standard property policies?</td>
<td>Hanover’s Base Property Broadening Endorsement extends coverage to exterior lighting, yard fixtures, fences, signs, building glass, driveways, patios, and walkways.</td>
<td>Included in Blanket</td>
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<td>Denial of Access to Premises</td>
<td>It's common for some facility owners to have an easement or reciprocal agreement in place with a neighboring property. An example would be to comply with an ordinance for a minimum number of parking spaces. What would happen to your income if a neighboring property had a loss that limited or denied access to your property?</td>
<td>Hanover includes denial of access coverage as part of its Base Property Broadening Endorsements. This provides for the loss of income you sustain due to a loss at a neighboring property that limits or denies access to your property.</td>
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| E-Commerce                          | Are you covered for damage to your computer equipment stemming from computer hacking or computer virus? What would happen to your income if someone hacked into your computer and introduced a virus resulting in limited access to your website? | Hanover’s Base Property Broadening Endorsements include two important coverages that provide protection for:  
• Direct physical loss or damage to computer equipment at your facility caused by electronic vandalism  
• Extension of your business interruption insurance to cover loss of income and necessary extra expense from the suspension of operations caused by an interruption in computer operations at your facility due to electronic vandalism | Limits up to $25,000            |
| Employee Theft including ERISA-Compliance | Does your current policy cover theft of money or securities by one of your employees? Did you know that traditional property policies do not automatically include this coverage? | Hanover’s Base Property Broadening Endorsements automatically provide coverage for loss of, or damage to, money and securities resulting directly from theft committed by an employee whether identified or not, acting alone or in collusion with other people. | Limits up to $150,000           |
| Food Contamination                  | Do you sell food at your facility? What would happen to your income if a governmental authority ordered your facility closed due to discovery of suspicion of food contamination? | Hanover’s Base Property Broadening Endorsements automatically provide coverage for:  
• Expenses to clean equipment as required by the government authority  
• Cost to replace the food which is contaminated  
• Expenses associated with medical tests for your infected employees  
• Loss of business income due to the suspension of your operations  
• Additional advertising expenses needed to restore your reputation | Limits up to $25,000, including $3,000 advertising expense |
| Foundations and Underground pipes  | Does your current policy cover damage to your building’s foundation? Did you know standard property policies do not provide coverage for foundations? | Select Base Property Broadening Endorsements offer coverage for your building’s foundation and underground pipes, including the cost of excavating and grading.                                                                 | Included in Silver, Gold, and Platinum Endorsements |
| Ordinance or Law                    | What would happen if your building had a loss, and it needed to be re-configured to comply with a local ordinance or law? Did you know standard property policies do not automatically include this coverage? | Hanover’s Base Property Broadening Endorsements provide coverage for ordinances, regulations or law pertaining to:  
• Loss to the undamaged portion of the building  
• Demolition costs to the undamaged portion of the building  
• Increases in the cost of construction | Limits up to $500,000            |

The Hanover’s Sports and Fitness Property Broadening Endorsement can be added to your selected Base Broadening Endorsement to further customize coverage by adding or enhancing 8 coverages, including:

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<td>Business Income and Extra Expense Extended to Membership Values</td>
<td>Many facilities are required to refund membership fees if they have to suspend operations due to a loss. How would your current business income coverage respond to this scenario?</td>
<td>Hanover’s Business Income and Extra Expense Extended to Membership Values coverage amends the standard business income coverage by expanding the definition of business income to include the unused portion of prepaid dues refunded to members as a result of a suspension of your operations due to a loss.</td>
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### RISK EXPOSURE

#### Money and Securities — Health Club Members and Guests on Premises

**WHAT WOULD HAPPEN IF ONE OF YOUR MEMBERS’ MONEY OR SECURITIES WERE STOLEN OR DESTROYED? HOW WOULD YOUR CURRENT POLICY RESPOND TO THIS CLAIM?**

Hanover provides coverage for loss of money and securities of club members and guests while inside the described premises that results directly from theft, disappearance, or destruction.

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<td>$5,000 per occurrence/ $300 per member</td>
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### Additional Property Coverages

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| **Data Breach** | Most facilities store members’ personal information, such as bank account numbers. What would happen if there was a reasonable cause to suspect that such private personal data of a member has been lost, stolen, accidentally released, or accidentally published? Did you know that many states are strengthening the notification requirement laws of businesses if such a breach occurs? | Hanover’s Data Breach Coverage provides a number of valuable services and expense coverages to meet this growing need. Included coverages are:  
• Data Breach Services, including consulting, toll-free hotline, fraud alert, and identify restoration case management  
• Data Breach Expenses, including cost of notification, forensic analysis, and proactive monitoring services  
• Additional Expense, including legal services, public relations, data breach ransom, and rewards | |
| **Funds Transfer Fraud** | What would happen if someone gave fraudulent instructions to your financial institution to transfer funds from your account? | Hanover’s Funds Transfer Fraud coverage pays for loss of funds resulting directly from a fraudulent instruction directing a financial institution to transfer, pay, or deliver funds from your transfer account. Hanover offers limits from $5,000 to $25,000. | |
| **Emergency Event Management** | A violent event or premises contamination (due to Legionnaire’s disease, for example) can not only damage your reputation, but also impact you financially. Did you know that the expenses and loss of income associated with these types of occurrences are traditionally not insurable? | Hanover’s Emergency Event Management is one of the broadest of its kind and responds to covered emergencies at an Insured location, including:  
• Actual or attempted violent acts  
• Premises contamination from bacterial microorganisms transmitted through human contact with food (this also includes interruption of operations due to the hepatitis virus, Legionnaire’s disease, and/or noroviruses—no other viruses or illnesses are covered)  
• Specified felonies such as child abduction, sexual assault, or criminal use of a firearm  
• Other emergency incidents that occur at an Insured’s location, such as fire, explosion, or a workplace accident that results in adverse regional or national news coverage of the Insured’s business  
The Emergency Event Management coverage provides three flexible limits for:  
• Emergency Event Communication Expense — covers public and media relations expenses used to mitigate financial impact to your business after an emergency event  
• Emergency Event Business Income (and Extra Expense) — covers the loss of business income resulting from an emergency event (this coverage requires the Insured to have also purchased Business Income from Hanover)  
• Post-Emergency Event Expense — covers medical treatments, counseling, and funeral expenses for individuals who were physically injured at an Insured’s location during an emergency event | |

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General Liability Broadening Endorsements

The Hanover’s suite of General Liability broadening coverages adds or enhances over 20 important coverages, including:

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| Broad Additional Insured    | Have you consented in a written agreement to provide insurance to any person or organization? What would happen if one of your club members injured another club member at your facility? Have you had any subcontracted instructors or trainers working in your facility? | Hanover’s suite of General Liability broadening coverages automatically includes the following as additional Insureds:
  - Any person or organization with whom you agreed in a written contract, agreement, or permit to add as an additional Insured to your policy
  - Your club or facility members
  - Aerobics Instructors, Massage Therapists, and Personal Trainers with whom you agreed in a written contract, agreement, or permit to add as an additional Insured on your policy |
| Aggregate Limit Per Location| Do you own more than one location? Does your General Liability aggregate limit apply per location? | Hanover’s suite of General Liability broadening coverages automatically applies your General Liability aggregate limit per location. |

Additional General Liability Coverages

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| Cyber Liability | If your customer’s personal information was lost or stolen, and they suffered financial damages as a result, would you be covered if they brought a lawsuit against you? | Hanover’s Cyber Liability Coverage provides protection for third-party defense and liability for claims that are brought against your business by a third party including:
  - Privacy & Security Liability coverage
  - Cyber Media Liability coverage |

Professional Liability

Sports & Fitness facilities have liability exposures that go beyond what a traditional General Liability policy covers. Professional Liability is a growing and important coverage that every facility should seriously evaluate. Consider the following:

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<td>Fitness Professional Liability</td>
<td>Does your organization provide any physical training or nutritional or fitness counseling?</td>
<td>Hanover’s Professional Liability policy provides a separate limit of insurance for any actual or alleged negligent act, error, or omission in the rendering or failure to render professional services in your capacity as a health and fitness organization. These professional services include physical training and nutritional or fitness counseling.</td>
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<td>Hospitality Services Errors and Omission</td>
<td>Does your facility host business meetings, weddings, or other events? What would happen if you accidentally booked multiple events for the same day in the same room, or if you provided the wrong menu for a function?</td>
<td>Hanover offers Hospitality Services Errors and Omissions Insurance, which pays for the sums that you are legally obligated to pay as the result of rendering, or failure to render, hospitality services. This optional endorsement has available limits of $100,000 or $250,000.</td>
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Business fitness starts with you.

Our Agency can help ensure you get the right coverage to insure total fitness for your business.