



Insurance Questions for Fitness Studios

How is liability insurance for a studio different from the insurance I have carried as a personal trainer?

As a personal trainer or group X instructor working on the premises of a health club, a fitness professional must carry professional liability insurance only for what they do or say when working with a client. They do not have liability for their client being injured coming and going on the premises (either inside or outside of the building)—a studio will have that exposure, as well as exposure for any injury related to the use of equipment, participation in a class and professional liability exposure for its own fitness staff.

Why is it more expensive?

Slip and fall injuries are the most common injury in any fitness facility, large or small. These are premises exposures and are the greatest reason that liability insurance premiums for a studio are more expensive than individual professional liability policies. Personal trainers have very few claims for their instruction of clients versus premises-related claims for studios. The studio policy will also protect the studio from any negligent acts performed by employed or contracted trainers.

How much liability insurance do I need for my studio?

Usually, the studio's lease will determine how much liability insurance they must carry. A \$1,000,000 per occurrence (per claim) limit with a \$2,000,000 annual aggregate limit is usually the lowest limit that a landlord will require. It is very common to see landlord's request single occurrence limits of \$2,000,000 or \$3,000,000. Some General Liability policies can provide these limits or an umbrella or excess liability policy may be required to achieve these limits.

What other insurance do I need to open a studio?

When opening your own studio, you will also need to insure the equipment, including fitness equipment and office equipment/computers plus any tenant's improvements required by your lease. This will all come under a commercial property insurance policy along with coverage for loss of income due to covered property damage. It is important to know what the lease requires when it is signed. If employees and/or independent contractors are going to be working for you, then a worker's comp insurance policy is required in most states as well.

Are my independent contractors covered on my liability insurance?

No, independent contractors are not covered on most General Liability policies that cover the studio(s) where they train. The studio is covered for their liability in connection with any injury the independent contractor's client might sustain while in the studio, but the contractor must always carry their own professional liability insurance. Owners and employees are covered for their professional liability while working in the studio and do not need to carry separate insurance.

Must I cover independent contractors on my workers comp insurance?

Yes, independent contractors need to be covered on the studio's workers compensation insurance policy because they are just as likely as an employee to be injured while working. Most states require that they be covered on the workers comp policy unless they can show proof of their own workers comp coverage.

What are the most common insurance claims for a studio?

Any fitness facility, either small or large, will have the most exposure for claims related to slips and falls on their premises. These include slipping in shower/wet areas, tripping over electrical chords, slipping on a wet or icy sidewalk or even falling in a pot hole in the parking lot. The next most common claim would be slip and fall injuries specific to group X classes followed by falling off of cardio equipment such as a treadmill (the most frequent equipment related fall). Finally, there are claims related to use of weight equipment and free weights with a T/A pull down type machine causing the most common strength equipment related injury.

What records do we need to keep if a client/member is injured?

It is very important to write down the specific facts of an incident immediately and ask the client/member and employee(s) on site or involved in any training to sign it. Make sure to include the date and time of the occurrence and to verify contact information as well. Follow up with the injured person to see how they are doing. Note their condition. Keep copies of any medical bills or written communication and document any verbal communication related to the injury.

How do I save money on my insurance?

Look for an insurance program that is tailored to fitness facilities and has been in existence for a long period of time. Fitness insurance programs will include coverage for the unique exposures common to the fitness industry without having to purchase additional coverage either as stand alone policies or via endorsement. It is important to work with a program that has a long history and commitment to this industry as you look to grow your business into the future. A long term relationship with your insurance representative and the carrier will keep rates down in the event of a claim.



Loss Control for Fitness Studios

Where do the most common claims come from that are unique to a fitness studio?

1. Slip and fall in group exercise classes

Group Exercise participants easily and frequently slip or fall off of step platforms but can also slip and fall if the floor in the group exercise rooms become wet.

2. Stepping on to or off of a moving treadmill

Although this is almost always a user error rather than a malfunctioning treadmill, it can become a Professional Liability claim, if the injured person was not instructed on the proper use of the treadmill.

3. Slip and fall in a wet area

Non slip mats and "Caution" signage are the best deterrent for slip and fall injuries in shower areas.

General Liability Risk Management

Fitness Studio General Liability claims revolve around the condition of the premises and equipment. Regular cleaning and maintenance of the facility should be performed. Fitness equipment should only be purchased from reputable manufacturers who carry product liability. If an injury occurs related to cardio or strength equipment that malfunctions, resulting claims can be subrogated against the manufacturer. Here are some important steps a studio can take ahead of time to prevent injury and subsequent claims:

1. Equipment Maintenance

- Keep maintenance logs
- Follow manufacturer's guidelines for care and cleaning
- Use technicians and parts approved by the manufacturer
- Safety signage on equipment should never be removed
- Check both cardio and strength equipment daily to make sure it is functioning properly

2. Power Cords

- Keep them out of the way of traffic areas
- Tape them down

3. Wet Areas

- Hand hold bars available and secured to the walls at showers exits
- Warning Signs such "CAUTION WET AREA"
- Non slip floor covers where possible
- Members should be required to wear proper foot wear in wet areas

4. Strength training Area

- Pick up free weights up in the strength area throughout the day
- Staff should check any cables and/or fasteners on bars each day with special attention given to any Lat (T/A) Pull Down cables and connectors
- Any rubber/plastic bands should be checked regularly to monitor wear and tear

5. Group Exercise Area

- Condition of group exercise equipment should be checked daily – look for things, such as, worn treads on steps
- Condition of the flooring should be check daily, specifically worn, wet or slick sections of the floor should be addressed or replaced

6. Cleaning

- Disinfect all locker room and common area surfaces daily minimum
- Disinfect fitness equipment as often as possible during the day



Loss Control for Fitness Studios (Continued)

Professional Liability Risk Management

Fitness studio Professional Liability claims are a result of something that a staff member (owner, employee or independent contractor) either does or says ... or FAILS to do or say, that results in a client, member or guest being injured. Here are some important steps a facility and staff can take ahead of time to prevent professional liability claims:

1. Waiver or Release Forms

- Waivers are very important to prevent claims arising from the inherent risk of minor injuries related to exercise, such as soreness and sprains. When used properly waivers are also a health club's best defense against professional liability claims.
- All clients, members and guests must sign a waiver or release before using any part the studio.
- Waivers should include language stating that "instruction on all equipment and facilities has been provided and/or offered" to the individual. This section should be signed every period at renewal of a contract. The waiver should state that instruction was offered and either accepted or declined, if possible.

2. Client Instruction

- Qualified fitness staff should physically demonstrate all equipment for new members and guests if they choose to receive it.
- At renewal of a contract a member should receive instruction or be given the opportunity to receive instruction both as a refresher and to cover any newly purchased equipment.

3. Staff Training

- Staff should all be thoroughly trained in the proper use of all equipment.
- Staff should be trained when hired about the desired scope of their instruction to a client. In other words, make sure you communicate what it means to be a personal trainer or group exercise instructor in your operation and what activities or discussions are outside of the job description.
- NOTE: This is to prevent a staff member exceeding their qualifications for fitness and/or health training and/or coaching. It is very easy for a staff member to make recommendations to a member, client or guest of a nutritional or medical nature that could bring a facility into a Professional Liability claim if the other party were to be injured while taking the staff member's advice.

4. Uninsured Independent contractors

Require all independent contractors to show proof of individual professional liability coverage before allowing the contractor to work inside the facility. Direct employees are covered under the facility's General Liability policy for their professional liability exposure but independent contractors are not covered. Failing to obtain proof of this coverage leaves the fitness facility open to claims caused by the contractors.

EMERGENCY PROCEDURES

Emergency procedures should be a written document that includes the steps to take in the event someone is injured or taken ill on site, as well as, the steps to take if there is an emergency at the premises, such as fire, tornado, power outage, etc.

1. Staff

All staff should receive a copy of your emergency procedures and sign that they have read them. These should be reviewed regularly during the year.

2. First Aid & CPR

All staff that work on the fitness floor should be trained in first aid by the Red Cross, if possible. At least one staff member Certified in CPR should be on site at all times.

3. AED Devices

If the facility has AED equipment then at least one staff member trained in the use of the AED should be on site at all times.