



MCIT
Minnesota Counties
Intergovernmental Trust

2026 Coverage Summary for Agricultural Societies

June 2026 Update



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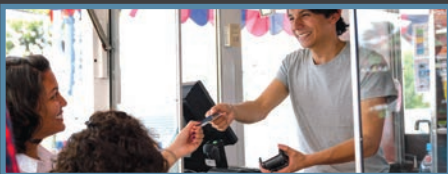


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This document is a summary of 2026 MCIT coverage that an agricultural society or fair board likely deals with on a regular basis and offers risk management suggestions. Each section addresses the coverage aspects most pertinent to county fairs. Refer to the 2024 MCIT Coverage Document for a complete list of coverage terms, conditions, limitations and exclusions.

- All claims for coverage are subject to the provisions of the MCIT Coverage Document.
- Updated schedules are located in the schedules section of the MCIT Coverage Document. Schedules list the property MCIT covers for the member and the covered value for each item, such as buildings, contents, property in the open and contractors equipment.

This document is for general information purposes only. It is not intended to provide legal or coverage advice on a specific situation.

Exclusions are necessary and should be viewed as a way to protect the assets of MCIT and to maintain member equity.

Reference Pages

The sections of this 2026 summary correspond to the 2026 MCIT Coverage Document as follows.

SECTION	COVERAGE SUMMARY	COVERAGE DOCUMENT
Property	1	1-65
Drone Endorsement	7	1-3
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Automobile	11	Liability: 20-40, 42-67, 69
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Updates Key

Changes from the 2026 Coverage Document:



ENHANCEMENTS



EXCLUSIONS



CLARIFICATIONS



LIMITATIONS

The complete 2026 Coverage Document was sent to each MCIT member in December 2025 and an update in June 2026. It is an outline of the coverage provided because of your participation in Minnesota Counties Intergovernmental Trust. The Coverage Document is not an insurance policy and is subject to change, modification and interpretation at any time by the MCIT Board of Directors.



About MCIT and Benefits of Membership

MCIT is a public entity risk-sharing pool made up of municipalities such as counties, soil and water conservation districts, agricultural societies and fair boards, historical societies, watershed districts, collaboratives, and other county-related entities.

MCIT is a public joint powers entity formed under Minnesota Statutes, Sections 471.59 and 471.981. MCIT functions as a risk sharing pool, providing property, liability, auto, cyber and workers' compensation coverage to its members.

Coverage has been designed specifically for MCIT's members and reflects the unique exposures to risk associated with being a public entity.

MCIT Coverage Basics

A number of MCIT terms are important for covered fairs to understand. Some differ slightly from the commercial insurance world.

COVERAGE DOCUMENT: The MCIT Coverage Document takes the place of an insurance policy.

CONTRIBUTION: This is the amount of money that the fair pays for coverage. This term is used in place of "premium."

MEMBER: MCIT participant organizations are not insureds. Rather, they are members of Minnesota Counties Intergovernmental Trust, and membership provides the fair with coverage and services.

REPLACEMENT COST (RC): A method of determining how much an item is worth or the value of its coverage. It is the amount it would take to replace a property item after it is completely destroyed or considered a total loss.

- In the case of a building, it includes all materials used for construction and all other costs necessary to replace the building with like kind and quality materials, including labor and other construction costs.
- Replacement cost does not consider market value or depreciation.

ACTUAL CASH VALUE (ACV): The cost to repair or replace damaged covered property with materials of like kind and quality, less a deduction for physical depreciation. Generally, the older the item, the lower its actual cash value.





Submitting a Claim

FOR ALL PROPERTY AND LIABILITY CLAIMS, SUBMIT THROUGH MCIT.ORG:

- Click orange Member Portal button to log in to and access the online member portal
- Complete and submit the appropriate incident notice

FOR EMPLOYEES INJURED ON THE JOB:

- Call the Workplace Injury Hotline at **833.523.0277** at time of injury for situations that are not emergencies or if an employee has not already sought medical care.
- If the employee has already sought medical attention, do not call this hotline. Submit the claim at MCIT.org following the above instructions.

All claims should be reported as soon as possible to allow adequate and prompt investigation.

NEED ASSISTANCE WITH CLAIMS?

- **Call:** 866.547.6516
- **Email:** info@mcit.org



Contact Your Risk Management Consultant with Questions

MCIT provides risk management consultation services to its members. MCIT consultants respond to coverage, liability and risk management concerns. Risk management consultation services include:

- Review of contracts from a risk management perspective
- Coverage discussions and explanation
- Advice about how members can best manage risks
- Training about specific topics

CONTACT YOUR MCIT RISK MANAGEMENT CONSULTANT:

- **Call:** 866.547.6516
- **Email:** info@mcit.org

Resource Library at MCIT.org

This is the hub for all MCIT articles, guides, awareness materials, videos and more! Check out "Agricultural Society Loss Prevention Best Practices Guide." It is full of Information and recommendations to reduce risks and hazards for fair operations.



Coverage Video Series

Individual, on-demand videos detailing aspects of each line of coverage are provided for those who need a full review of MCIT coverage. Visit MCIT.org/resources to view.

These videos are particularly helpful for new officials and staff.



PROPERTY

Property coverage is also referred to as location coverage in the MCIT Coverage Document. It includes the fair's owned buildings, contents and property in the open (PIO). Each of these coverages:

- Is subject to a deductible
- Is generally covered on a replacement cost basis
- Should be on the property schedule by location



Property Schedules

The property schedule is broken down by location. It shows:

- The amount of coverage, or limit, for the item along with the deductible
- The amount per building for contents, also with deductible
- The amount of coverage for property in the open followed by a deductible amount
- The valuation method (replacement cost or actual cash value), shown at the end of each line



Remember that generally, if an item is not on the schedule, it is probably not covered.



MCIT property coverage extends to structures and buildings that the fair owns or otherwise has an insurable interest in through an agreement such as a lease.

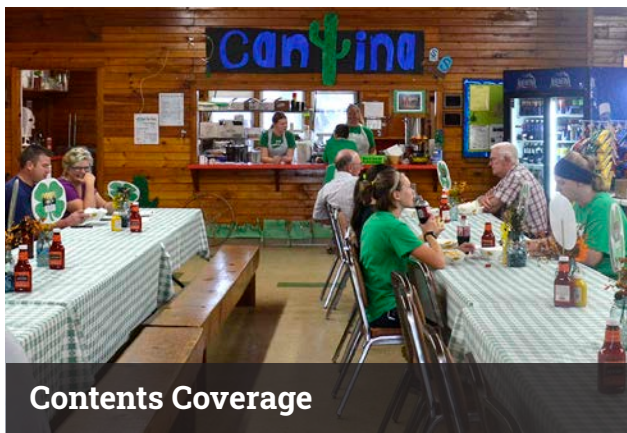
- Building coverage is generally provided on a replacement cost basis, meaning no deduction for depreciation. After a covered loss occurs, damage is repaired or the building is replaced with one of like kind and quality within coverage limits.
- In the event of a loss, the coverage limit is 125 percent of the scheduled value of the building. The value of the structure needs to include any built-in equipment that is permanent to the building such as boilers or other heating and cooling equipment.
- All buildings the fair wants covered must be scheduled. The property schedule requires the location address and the replacement cost of the building.
- Member buildings scheduled at more than \$100,000 are professionally appraised for MCIT members every five years, and the covered value is indexed on an annual basis.
- Building losses are subject to a deductible that applies on a once per event (or once per occurrence) basis. The fair's chosen deductible is shown on the schedule.



Wind and weight of ice and snow are not specified covered perils.

TIP

Because most fairs cover more than one building per location, the organization should verify that the description on the schedule matches how items are labeled on the fairgrounds and maps.



Contents Coverage

Contents coverage is provided for the items that are generally kept inside but are not attached to covered buildings.

- Contents are items such as office furniture and office supplies.
- Items are kept in the building or temporarily within 500 feet of the building.
- Contents coverage is generally provided on a replacement cost basis.
- Fairs must list the amount of contents coverage by building on the property schedule.
- In the event of a loss, the coverage limit is 125 percent of the scheduled contents value.
- Contents coverage does not include the historic value of artifacts (*see Coverage for Items of Historic or Cultural Value*).
- Off-premises coverage is included. This applies, for example, when an office machine goes out temporarily for repair. This coverage is only temporary.
- Inventory contents annually to create an accurate record and update schedules as appropriate.

TIP

Computer-related items are better covered as electronic data processing equipment under inland marine (*see page 5*).

TAKE NOTE

MCIT does not calculate a contents value. The member must provide a proper replacement cost to MCIT. Getting the value right is critical to having enough coverage in the event of a claim.

Contents coverage is not meant for items such as signs or fencing that are permanently outside of the building. That is property in the open (*see next column*). Nor is contents coverage meant for items permanently attached to a building.

For items that are movable or portable, or out of the office frequently, inland marine is how those items are covered (*see page 4*).



Property in the Open Coverage

Property in the open includes items that stay permanently at one location and are outside.

- Property in the open must be scheduled and listed by location.
- Coverage is generally provided on a replacement cost basis and is subject to a deductible.
- In the event of a loss, the coverage limit is 125 percent of the scheduled value.

Fencing is an example of an item that can be scheduled as property in the open. If a fair has a fenced lot where it keeps some equipment, the fencing is not going to move, and it is not part of the actual building structure. Most fairs have a great deal of fencing. Also pay attention to:

- Gates
- Ticket booths
- Outdoor sound systems
- Bleachers
- Benches and tables
- Signs not attached to a building
- Outdoor lighting
- Satellite dishes
- Flag poles that are not connected to the building
- Other permanent items that would not be considered buildings

TIP

Items that qualify as property in the open are those most frequently missed when members are working on coverage and schedules. MCIT recommends that members walk their property with the property schedule to help identify items that may be missing or should be removed from the schedule. Adjustments to the schedule can be made by submitting a property schedule change request online through the MCIT member portal.

Extensions of Property Coverage

MCIT offers extensions of coverage (additions to coverage). Four notable extensions of coverage to scheduled property are noted below.

BUILDER'S RISK COVERAGE

Builder's risk coverage provides up to \$750,000 of property coverage for a new building during construction and for remodeling or an addition to a scheduled building. This coverage is excess or secondary to any other valid or collectible insurance or coverage. An outside builder's risk policy is not necessary unless the project value exceeds the \$750,000 limit.

Contents coverage under builder's risk is \$150,000. There is no coverage, however, for construction-related property in transit, property stored offsite or related soft costs.

TIP

If a fair is involved with a building project, MCIT recommends contacting MCIT to discuss builder's risk coverage.

EQUIPMENT BREAKDOWN COVERAGE

Equipment breakdown coverage applies to mechanical breakdown of items such as electrical equipment,

mechanical equipment, air conditioning and refrigeration systems, boilers and pressure vessels, and business equipment and systems.

- Limit per accident: Sum total of all buildings, contents and property in the open as shown in the schedules at the time of the loss, subject to a \$100 million maximum
- Deductible: Same as the member's property deductible

FLOOD COVERAGE

Flood coverage is \$1 million per occurrence, per year. A flood means water overflowing from its intended boundaries.

If any part of the fair's property is located in a Zone A, prefixed A, Zone V or prefixed V flood zone, the whole property is excluded from flood coverage, and the fair needs to consider purchasing separate flood insurance for the property from the National Flood Insurance Program.

OTHER COVERAGE EXTENSIONS

Additional extensions of coverage apply to earthquakes, landslides, mud flows and earth sinking in the amount of \$1 million per occurrence per year.

Coverage for Items of Historical or Cultural Value

MCIT does not cover the increased value of items due to their rarity, antique, historic or collector value. Examples include antique chairs, tables, collectable lamps and rugs.

When one of these items is damaged or stolen, MCIT does not pay more than the actual cost to repair or replace it with an item of comparable kind and quality to be computed as of the time and place of loss or damage.

Similarly, "objects of fine art" are excluded from MCIT coverage. Generally, property such as paintings; murals; portraits; prints; drawings; photography; sculptures; tapestries; and items or collections of artistic, historical or cultural significance are excluded from coverage.

This is a common coverage limitation, as objects of fine art are typically one-of-a-kind items that carry



a high value and are difficult or impossible to repair or replace.

Members interested in specialized coverage for objects of fine art or the increased value of historic or collectable items can purchase separate coverage through MCIT under a fine arts endorsement.

This coverage:

- Addresses the unique nature and specialized value of these items.
- Is provided on a stated-value basis, meaning that MCIT pays up to the most recent appraised value of the item in the event of a loss.

Members must individually schedule their items, subject to MCIT's underwriting approval, and provide a recent appraisal, which will become the basis of the stated-value limit of coverage.

INLAND MARINE

Inland marine is the term for property that is mobile or travels. MCIT provides three parts to the inland marine coverage:

1. Contractors equipment coverage
2. Electronic data processing coverage
3. Miscellaneous property coverage

Inland marine items are identified as property the fair owns that is movable or portable in nature but does not include road-licensed vehicles.

Contractors Equipment Coverage



Contractors equipment includes items that are movable and drivable but are not highway-licensed vehicles. These are often heavy equipment pieces that the fair owns.

- Coverage follows the contractors equipment whether it is being used by employees or if the fair has granted permission for a volunteer to use the equipment.
- The equipment depreciates quickly, so it is covered on an actual cash value basis: the cost to repair or replace an item, less physical depreciation.
- The coverage limit is 125 percent of the scheduled value.

TIP

Periodically review the amount of coverage the fair has on the schedule for inland marine items. Because the actual cash value goes down over time, if the fair still shows the original cost to purchase what is now an older item, it is probably making excess contribution to cover that item.

EXAMPLES OF CONTRACTORS EQUIPMENT

A few examples of items that may fit this classification that fairs frequently own are:

- Tractors
- People movers
- Water trucks (not licensed for road use)
- Mowers

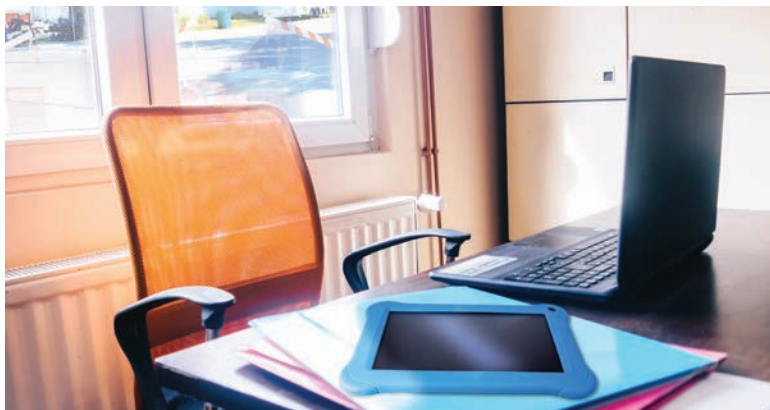
TIP

MCIT recommends keeping a maintenance log on contractors equipment.

MCIT's "Data Reporting Cycle" has the EDP inventory and other key data reporting dates in one convenient guide. It provides the schedule for and detailed types of data members need to provide. This puts members in the best position to have proper coverage for property and equipment. The guide also shows when members will receive reports and information to support budgeting and monitor scheduled property from MCIT.

DOWNLOAD THE GUIDE AT [MCIT.ORG/RESOURCES](https://mcit.org/resources).





Electronic Data Processing Coverage

Electronic data processing (EDP) is an enhanced coverage that protects items that have the ability to accept and manipulate data into a desired format or result.

EDP offers extended coverage for losses from:

- Artificially generated electrical injury resulting from a black out, brown out or lightning strike causing an electrical disturbance that does not apply to contents coverage
- Some damage resulting from changes in temperature, dampness or dryness
- EDP coverage is generally provided on a replacement cost basis, so items would be repaired or replaced with new items of like kind and quality

EXAMPLES OF EDP EQUIPMENT

- Laptops
- Hard drives
- Printers
- Copiers
- Mylaps systems

TIP

Most fairs own at least one laptop. If covered under EDP and the laptop is removed from the fair's office, coverage is maintained. Under contents, the item must remain in or within 500 feet of the office.

To establish EDP coverage, the fair must create and maintain an inventory of its EDP equipment with individual replacement cost values. A current inventory must then be submitted to MCIT by April 30 each year:

- The limit of coverage is the sum total replacement cost for all property included on the EDP inventory and submitted to MCIT.
- Items purchased after the date of the inventory are eligible for coverage.

TIP

If the fair makes a large EDP purchase after submitting the EDP inventory, MCIT recommends updating the EDP inventory on file with MCIT.

- Coverage does not apply for a loss to EDP property not included on the inventory that was acquired more than 60 days prior to the date of the EDP inventory submitted to MCIT.



Miscellaneous Personal Property Coverage

Miscellaneous personal property is the most easily overlooked property in inland marine. Many kinds of different property are in this category. These items are movable and portable in nature and must be scheduled for coverage to apply.

- Miscellaneous personal property coverage is provided on an actual cash value basis.
- In the event of a loss, the coverage limit is 125 percent of the scheduled value of the property.

EXAMPLES OF MISCELLANEOUS PERSONAL PROPERTY ITEMS

- Golf carts
- Lawn tractors
- Portable radio units
- Walkie-talkies
- Portable generators
- ATVs
- Drones

TIP

Items that remain in the office at all times are better protected under contents coverage (see page 2).

Questions often arise about scheduling smaller items. The fair's miscellaneous personal property schedule contains a deductible. If the items are under the deductible, consideration should be given to how many items could be lost or damaged in one occurrence when determining whether to schedule those items.

PROPERTY COVERAGE GENERAL EXCLUSIONS

It is important to note items and actions that are not covered. These are called exclusions. All exclusions are listed in the MCIT Coverage Document.

EXAMPLES OF EXCLUDED PROPERTY

- Docks and piers that are not part of a building
- Standing timber
- Wind turbines and their towers, regardless of size
- Land
- Reservoirs
- Dams
- Water
- Tunnels and bridges used for railroads or public vehicular traffic

EXAMPLES OF EXCLUDED PERILS

- Wear and tear
- Gradual deterioration and rust
- Inherent vice (item simply is not working)
- Mysterious disappearance: Example, if owned items just disappear or there is an inventory shortage (generally, theft is covered)
- Electronic vandalism, which is damage from any virus or programming the fair does on its equipment



Cyber coverage may apply to this (see *Cyber section*).

- Pollution
- Any type of misrepresentation, concealment or fraud
- Loss from communicable disease

PROPERTY COVERAGE GENERAL CONDITIONS

General conditions are duties or actions of the member or MCIT.

EXAMPLES OF GENERAL CONDITIONS

- **Due diligence:** The member must take all reasonable steps to protect its property from further damage once a property loss occurs. For example, placing a tarp on a damaged roof to prevent further damage from happening.
- **Preserve evidence:** Members must identify, locate, preserve, store and retain physical evidence, information, documentation (electronic or otherwise), relating to or contributing to the cause of a covered loss or resulting damage.
- **Timely notice of loss:** Members shall report to MCIT every loss that may become a claim as soon as practicable
- **Cooperate with MCIT:** Members are expected to cooperate with MCIT in the investigation and settlement of claims.
- **Maintain right of subrogation:** Members may not relinquish their right of subrogation (the right to receive payment from a negligent party). Subrogation replenishes MCIT's ability to finance future claims.
- **Maintain rights and duties:** These cannot be transferred without written consent from MCIT.

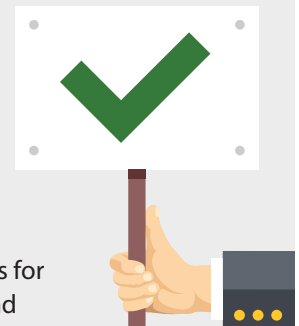
MCIT must notify a member when a claim recovery is made from another party.

Property Coverage Risk Management Recommendations

- Submit an online schedule change via the member portal to add property whenever the fair acquires new property items.
- Submit an online schedule change to remove property items the fair no longer owns or for which it no longer wants coverage.
- Review the schedule of buildings, contents and property in the open annually for accuracy and verify replacement cost values.
- Update and correct the electronic data processing equipment inventory annually before

submitting it to MCIT by April 30. The inventory determines the amount of the fair's blanket computer coverage.

- Review the fair's schedules for contractors equipment and miscellaneous personal property annually, particularly adjusting the actual cash value of items. This avoids paying to cover items at their full replacement cost, which could result in paying excess contribution on the items.



TIP

Include the cost of installation in the replacement cost of equipment.

DRONE ENDORSEMENT

A drone is a remotely piloted aircraft system, an unmanned aerial vehicle or unmanned aerial system including attached equipment and the manufacturer's related ground equipment.



Coverage Terms

- All coverage is subject to the drone endorsement. Any drone must be specifically endorsed to the coverage document.
- A covered drone must be member-owned and operated by a member employee in compliance with FAA regulations.
- An additional contribution is required.
- A \$1,000 deductible applies for property claims.
- A \$2,500 deductible applies for liability claims.

Exclusions to Drone Endorsement

- Mechanical breakdown or failure
- Weight of a load exceeding manufacturer's capacity
- Latent defect
- Racing or stunting activities
- Dishonest, illegal, criminal, malicious or fraudulent acts

LIABILITY

Generally speaking, when a third party brings a claim or suit against the member, it claims the fair was negligent, that it owed a duty to the third party and the fair somehow breached that duty either by acting or failing to act. The result of this breach of duty was some sort of damage to a person, property or financial harm.

Some of the most common sources of liability risk for a fair include:

- Special events that attract a crowd
- Contracts and contractual agreements
- Slips, trips and falls



Covered Party

The MCIT Coverage Document specifies that in addition to the agricultural society or fair board, a covered party includes the following individuals while acting within the scope of their duties on behalf of the member:

- Elected or appointed officials of the member organization
- Employees of the member organization
- Authorized volunteers of the member organization

Limits of Coverage

Minnesota Statutes Chapter 466 provides tort caps, which are the maximum amounts of money third parties can receive in damages if they are successful in their claim against an entity.

The limits of liability found in MCIT liability coverage mirror the limits on damages found in Chapter 466 for torts in state court:

- \$500,000 per claimant
- \$1.5 million per occurrence

The statute also includes protection to public entities, such as county fairs, by establishing certain defenses in the form of immunities.



LIMITS FOR CLAIMS OUTSIDE SCOPE OF CHAPTER 466

Typically, these would be suits filed in federal court for claims relating to employment, discrimination or civil rights violations.

- Coverage shall not exceed \$2 million per occurrence
- Annual aggregate limit is \$6 million

Types of Liability Coverage

MCIT provides a number of lines of coverage under liability, including the following.

BODILY INJURY AND PROPERTY DAMAGE

The most common of these are damage to someone's property or slip, trip and fall injuries.

PERSONAL INJURY

Liability dealing with libel, slander and defamation of character.

EMPLOYEE BENEFITS LIABILITY

This may not apply to many fairs, but it is a protection if a claim involves the administration of employee benefits, such as overlooking an employee enrollment. Coverage is for the fair's administration of the benefit plans and does not extend to the individual plans themselves.

MEDICAL PAYMENTS COVERAGE

Allows for payment of up to \$2,500 in medical expenses per person regardless of fault and without deductible. This is a discretionary coverage, meaning that the fair and MCIT may choose to apply the coverage.

- Injuries to volunteers may be covered, depending on the circumstances. For example, if a volunteer is involved in an excluded activity, such as participating in a rodeo, medical payments may be excluded.
- Injuries to board members and employees are excluded from medical payments coverage (see *Workers' Compensation section*).



Coverage for liability related to bodily injury and property damage, personal injury, employee benefits and medical payments are included in the liability package from MCIT and cannot be eliminated in an attempt to reduce contribution because a coverage may not apply.

PUBLIC EMPLOYEES LIABILITY (PEL)

Protects for actual or alleged wrongful acts and responds to suits or claims where the allegations revolve around a decision made or action taken by the agricultural society or fair board.

- Example: The fair allows one political party to use the fairgrounds but cannot find room for another political party. The damages sustained by the wronged party are not physical but do exist.
- Coverage includes paying for the cost of defense. With many PEL claims, cost of defense can be a major expense.



MANAGING ALCOHOL BY OUTSIDE GROUPS

When outside groups hold events on fair property, the fair's rental and use agreements should address liquor liability:

- If the policies do not allow alcohol on the premises, make sure to always follow those policies.
- If the fair allows alcohol on the premises, require use of a caterer with a liquor license and liquor liability coverage or insist those using the facilities obtain the coverage.
- Consider requiring licensed peace officers as security for events on fair property when alcohol is allowed, as additional security concerns arise with alcohol consumption.

(MCIT coverage excludes liquor liability.)

When to Notify MCIT About an Incident

Sometimes it is obvious that the member should inform MCIT about a situation, for example, when a volunteer falls and is injured while working on the fairgrounds. Other times, it is not as obvious. MCIT recommends that members report a situation to MCIT any time they feel there is the possibility that a claim could arise or that someone could sue the fair as a result of what has happened.

Unlike with some commercial insurance companies, there are no negative consequences for letting MCIT know that a potential loss has occurred. Members can always call the claims department (**1.866.547.6516**) to discuss an incident and plan a course of action.

Members should also remember that they should not make any direct payments to a claimant. Doing so may negate MCIT coverage. It is to everyone's advantage to cooperate with MCIT when handling a claim.

Liability Coverage General Exclusions

Several exclusions to liability coverage apply directly to fairs. For a complete list of liability exclusions, see the MCIT Coverage Document.

For the examples noted below, coverage must be obtained outside of MCIT. In most cases, the promoter would be the only one able to obtain coverage, and the only way to cover the fair is to be included as an additional insured under the promoter's policy.

Examples of fair-specific exclusions to MCIT coverage:

- Mechanical-, amusement- or carnival-type rides, machines or other apparatus for amusement purposes
- Rodeo events or animal racing
- Drones (unless endorsed to coverage, *see Drone Endorsement section*)
- Claims or suits arising out of a covered party's participation in planning, organizing or administering gaming activities including (but not limited to) gambling, lotteries and raffles of any kind
- Loss due to communicable disease
 - For a claim or suit brought by a third party harmed by a communicable disease, this exclusion precludes coverage for claims alleging negligence or wrongdoing on a member's part to prevent the spread of a disease; test for a disease; report a disease to authorities; or supervise, hire, train or monitor others who may be infected with and spread a disease
- Liquor liability when selling alcohol (*see Managing Alcohol by Outside Groups on page 9*)
- Fireworks displays of all kinds



Coverage applies when simply hosting an event that sells liquor.

- Racing and demolition derbies, whether they involve vehicles, motorcycles or mobile equipment



Liability is excluded for practice, preparation and the racing or demolition event itself. This includes tractor pulls, monster truck events, motorcycle or snowmobile racing and related events.

TIP

Be sure the promoter places spectator liability, not just participant liability, for racing and demolition events. The fair must be listed as an additional insured. This is most likely the only coverage the fair will be able to get.

- Coverage for property loaned to the fair or in the fair's care, custody and control. (*See Garagekeepers Comprehensive Coverage section.*)

TIP

Members are encouraged to call their MCIT risk management consultant to discuss coverage for excluded activities.

Liability Coverage General Conditions

Conditions of coverage are duties or actions of the member or MCIT. Examples of general conditions that apply to liability are similar to those of property coverage:

- MCIT has a duty to defend members in any covered claim or suit. MCIT retains sole authority to assign defense counsel and to direct the defense of the claim.
- Members must notify MCIT of a claim or suit promptly and retain evidence.
- If a recovery is made on the claim, MCIT must notify the member of the recovery.
- Members cannot transfer rights or duties without written consent from MCIT.

Liability Risk Management Recommendations

- If an activity is excluded under MCIT coverage, the member should place liability coverage outside of MCIT, and the liability coverage limit should be at least \$1.5 million.
 - If the board does not have an internal policy for insurance requirements, the member should contact its MCIT risk management consultant for advice and resources.
- Medical payments coverage may apply to volunteers. If the fair currently has a volunteer

accident policy outside of MCIT, call the fair's MCIT risk management consultant.

- Manage events using safety protocols and sanitation procedures to prevent spread of communicable disease.
- Events besides the county fair involving more than 100 people should be reported to MCIT on the annual risk assessment.





Auto Liability

Recognizing that few fairs own vehicles, MCIT provides nonowned auto coverage. This coverage is provided when board members, employees or authorized volunteers of the fair are approved to use their personal vehicles in connection with fair business.

Importantly, this coverage is excess over the owner's insurance policy for liability coverage only. This coverage does not respond to claims involving physical damage nor for the owner's deductible. For example, should a board member use his or her pickup for fair business and get into an accident that causes physical damage to his or her personal vehicle, MCIT coverage does not apply.

The coverage has a narrow application for instances when the owner's liability coverage is insufficient to cover awarded damages, including physical damage and personal injury, caused to a third party. In that case, MCIT's nonowned auto coverage would apply to the difference between the vehicle owner's policy limit and the actual damages sustained, up to MCIT's coverage limit.



MCIT provides auto liability and physical damage coverage for fair-owned vehicles. For coverage to apply, vehicles must be scheduled. Members should call their risk management consultant for discuss automobile coverage options.



Garagekeepers Comprehensive Coverage

Garagekeepers comprehensive coverage is a liability coverage designed to respond to claims against members arising from damage to vehicles, including boats and trailers, owned by others but in the member's custody. Common application is for vehicles damaged while seasonally stored in member buildings.

- This is comprehensive coverage only for when the vehicle is stationary (no collision coverage), so members should not operate or move stored vehicles.
- There must be negligence on the fair's part to initiate the legal obligation. For example, the member failed to remove excess snow from a storage building roof, resulting in collapse and damage to multiple vehicles.
- The coverage limit is \$100,000 per occurrence regardless of the number of vehicles damaged.
- Coverage is excess to any other coverage in place on the vehicle (i.e., that secured by the vehicle owner).

If a fair decides to implement a storage program, MCIT recommends that the fair follow risk management best practices, such as:

- Always use a contract developed with the help of legal counsel. Utilize MCIT's contract review from a risk management perspective, as well.
- Consider using a waiver of liability developed in conjunction with legal counsel.
- Require that owners carry insurance coverage and provide proof of coverage to the fair. Include the fair as an additional insured.
- Always have owners move their own property.

CYBER COVERAGE

The privacy or security event liability and expense (cyber) coverage applies to a broad range of cyber, data and computer system exposures. Coverage applies to first-party privacy response expenses and third-party liability, defense and settlement costs when responding to claims made against a member when arising out of a privacy or security event.



Types of Coverage

PRIVACY OR SECURITY EVENT LIABILITY

Pays sums a member is legally obligated to pay as damages because of a privacy or security event.

PRIVACY RESPONSE EXPENSE

Includes the following expenses incurred within one year of a privacy or security event resulting in the loss, theft, unauthorized disclosure of or access to personal information:

- Security expert designated by MCIT
- Legal review consultant designated by MCIT
- Notification to affected individuals
- Identity theft protection services to affected individuals
- Public relations services

REGULATORY PROCEEDINGS AND PENALTIES

Pays fines and penalties that a member is legally obligated to pay from a regulatory proceeding resulting from a covered privacy or security event.

PCI-DSS

Responds to assessments from the payment card industry due to noncompliance with data security standards when the noncompliance resulted in a privacy or security event.

ELECTRONIC EQUIPMENT AND ELECTRONIC DATA DAMAGE

Pays for damage to, loss of use of or destruction of electronic equipment caused by the reprogramming of its software, rendering it useless for its intended purpose:

- Includes necessary expenses to determine whether electronic data can or cannot be restored
- Includes necessary expenses to restore data incurred by a member as a result of a privacy or security event

NETWORK INTERRUPTION COSTS

Pays for business income loss, expenses to reduce the loss, extra expense incurred and expenses of preparing a proof of loss when incurred after the waiting hours period and solely because of a privacy or security event

- Includes third-party forensic accounting services

CYBER-EXTORTION EXPENSES

Covers expenses, including ransom payments, a member pays with MCIT's consent as a direct result of a cyber-extortion threat.

RETROACTIVE COVERAGE

Coverage is available for a privacy or security event or a cyber-extortion threat commencing on or after the retro date shown in the Declarations.

- A claim notice must be provided to MCIT

Limits of Coverage

Annual MCIT limit: This coverage is provided subject to a \$10 million annual MCIT program aggregate limit shared by all members for all privacy or security event claims inclusive of cyber-extortion threats during the coverage period.

Member limit: This is claims-made and -reported coverage. A member's annual aggregate limit applies to claims covered under the various coverage sections.

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- \$500,000 annual aggregate coverage limit subject to the following per claim annual aggregate sublimits:
 - \$100,000 forensics per claim
 - \$100,000 legal services per claim
 - \$100,000 cyber-extortion annual aggregate
 - \$10,000 public relations per claim
 - \$50,000 regulatory proceedings and penalties per claim
 - \$50,000 PCI-DSS assessments per claim
 - \$125,000 electronic equipment damage and network interruption costs annual aggregate
 - \$125,000 electronic data restoration

Fairs have a \$5,000 deductible per claim subject to a 12-hour waiting period.

Examples of Cyber Coverage Conditions

In the event of a claim, regulatory proceeding or loss, the member must:

- Provide written notice to MCIT of a claim, privacy or security event, or a cyber-extortion threat as soon as practicable. This can be done by submitting a notice through the online MCIT member portal.
- Provide written notice to MCIT of a privacy or security event that may give rise to a claim, including a regulatory proceeding or PCI-DSS assessment as soon as practicable.

TIP

For a known or suspected ransomware attack, members should call MCIT immediately at **866.547.6516**.

Examples of Cyber Coverage Exclusions

Some exclusions to cyber coverage are:

- Any criminal, fraudulent or dishonest act, error or omission; or any intentional or knowing violation of the law by the member
- Arising out of the actual or alleged transmission of a communicable disease
- Arising out of or resulting from the member's alleged violation of the Minnesota Government Data Practices Act or the federal Driver's Privacy Protection Act



Misdirected Payment Fraud and Computer Fraud

Responds to loss from a misdirected payment fraud event or computer fraud event:

- Pays misdirected payment costs and computer fraud costs
- Must occur during the coverage period
- Must be reported as soon as practicable and within 60 days of discovery

LIMIT OF COVERAGE

- \$10,000 per occurrence/\$10,000 annual aggregate

DEDUCTIBLE

- \$5,000 per occurrence

This endorsement is provided to all members and is included in the cyber coverage package.

EMPLOYEE DISHONESTY AND FAITHFUL PERFORMANCE OF DUTY

This bond coverage responds to loss or damage to money, securities and property other than money and securities caused by employee dishonesty and lack of faithful performance of duty.



The employee dishonesty and faithful performance of duty bond covers theft by an organization insider, such as an employee or board member. It responds to internal losses for money, securities and personal property.

- Applies to actions of both employees and board members
- Pays the amount that the fair actually lost on a financial basis for the theft
- Volunteers are not covered by the bond

TIP

Establish strong internal security and control procedures, especially related to the handling of cash and account information. It is best not to have volunteers handle money.

- The base amount of coverage is \$5,000 as a blanket limit. Fairs have the option to increase the amount of coverage either on a blanket basis or by position.

MCIT encourages the fair to review any endorsements to the bond, as they show how much excess coverage over the \$5,000 the fair has. This indicates whether the fair has purchased higher limits or not. Members should contact their risk management consultant if they are interested in a higher amount of bond coverage.

TIP

If the fair purchased excess coverage, move the Old Republic documents from last year's coverage document to the new copy. Old Republic bond documents apply until canceled.



Volunteers and unpaid interns do not meet the definition of "employee."

WORKERS' COMPENSATION

Minnesota Statutes Chapter 176 is the workers' compensation law. It is a no-fault system to respond to work-related injuries and reduce litigation. MCIT coverage is provided according to the statute.



Besides the medical costs for a work-related injury, workers' compensation covers lost time at work, rehabilitation and the process of members returning an injured employee to work.

Workers' compensation is a compromise system because both the injured party and the employer give and take:

- The employee gets statutory benefits but gives up the right to sue the employer.
- The employer gets statutorily limited damages but gives up the right to refuse to pay the employee if the employer feels that the employee was negligent.

Covered Party for Workers' Compensation

Those eligible for workers' compensation include the fair's:

- Employees
- Board members, but they have the option of not participating, or rejecting, workers' compensation coverage
 - MCIT asks fair entities to complete a resolution stating their intent in accepting or rejecting workers' compensation coverage for their board members

Volunteers are not usually covered under workers' compensation.



If a fair's volunteer is paid money, he or she is not a volunteer. If given a stipend or anything of value, volunteers may be determined to qualify for workers' compensation coverage.

Payroll is the rating basis for workers' compensation contribution to MCIT. Covered individuals are classified by their duties, and both a class rate and an experience factor are multiplied by the payroll in each classification. For board members, who are usually unpaid, a minimum salary is used to calculate the contribution.

Report Incident Promptly

Prompt claim reporting is critical whenever an employee or board member is injured:

- At the time of an injury, members may use the workplace injury hotline for treatment advice *for employees or board members*, which also then begins the claim process. The hotline is for nonemergencies only.
- The MCIT member portal is also available to report employee or board member injuries. Start with the workers' compensation incident notice in the member portal.

Prompt submission of the notice gives claims representatives the opportunity to conduct a timely investigation and benefit determination. There are statutory deadlines that must be met in the determination process.

TIP

Report claims as soon as possible to avoid any statutory fines and penalties.

STATE REPORTING OBLIGATIONS

Besides reporting a work-related injury to MCIT, the fair must also notify Minnesota OSHA of:

- All work-related fatalities within 8 hours
- All work-related in-patient hospitalizations, amputations and losses of an eye within 24 hours

The Minnesota Department of Labor and Industry requires that fairs report to them all work-related fatalities and serious injuries within 48 hours.



Missing any of these deadlines can result in penalties and fines for which the fair can be held responsible. MCIT coverage does not pay for fines or penalties levied against a member.