



OUTDOOR

Insurance Questions FFL's Need to Know & Risk Management You Should Have In Place

February 2024

Objectives

- Lockton and Lockton Affinity
- Insurance Market Update/Current Affairs
- Insurance Items you need to understand
 - General Liability
 - Property
 - Worker's Compensation
- We do have claims
- Risk Management Practices
- What's next?

Lockton Affinity Outdoor

- **Our clients value our expertise**
 - Over 24 years of experience insuring firearm retailers and ranges
 - Currently insuring over 4,000 retailers/ranges
 - Sales team and customer service expertise
 - Underwriting for the long term
 - 7 out of 10 quotes end up purchasing with us
 - Customer Surveys top 3 reasons to be with us
 - Well priced
 - Good coverage
 - Highly specialized team that understands what I need

Insurance for Your Business

General Liability

- Your largest exposure
- Liability to 3rd parties
- Members, employees and officers as insureds
- Know the coverage form you have – Broad or Limited?
- Exclusions Specific to your business
- Range/venue use by outside groups
(Certificate of insurance naming range as additional insured)

Insurance for Your Business

Property and Inland Marine

- Required if financing provided by commercial lending source
- Optional but recommended if values are low
- Variables driving cost of coverage
- Things you can do

Insurance for Your Business

Workers' Compensation

- Required by state
- Employee injuries
- Payroll and exposure (classifications) drive costs
- Inclusion or exclusion of owners, officers or sole proprietors

We do have claims

- **General Liability examples**

- Example 1

- Accidental discharge in store while logging in firearm, resulting in fatality.
 - Paid \$1,000,000 limit plus \$178,943 in defense and expenses for total of \$1,178,943.

- Example 2

- Accidental range shooting, customer with no experience left unsupervised, shot another customer causing fatality.
 - Paid \$1,000,000 limit plus \$40,875 in defense and expenses for total of \$1,040,875.

- **Property Examples**

- Example 1

- Unknown parties used a vehicle to smash into and through the store front. Theft of BPP followed.
 - Paid \$18,575 for stolen BPP, \$83,960 for Bldg Dmg plus \$14,825 for a total of \$117,360.

- Example 2

- Patron using prohibited tracer rounds, Bldg caught fire.
 - Paid \$1,368,500 plus \$14,500 for expenses for a total of \$1,383,000.

Risk Management Tools

- OSHA Compliance
- Posted Store and Range Safety Rules
 - Increasing numbers of accidental discharge with new gun owners

Other signage

All firearms stored in safe/vault after hours

Security Cameras Recording

Central Station Reporting Alarms

- Installation of crash barriers on exterior
- Proper range maintenance including rubber back stops
- RSO's

Program Information

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No one understands firearms insurance better