

GUIDELINES FOR USE OF ANOTHER'S VEHICLE AT A PCA EVENT

Many of you have heard of the "908 Suit" against PCA arising out of the damage sustained by a historic race car after it was displayed at a PCA tech session. We provide the following to assist the regions in managing risks involved in the use of another's vehicle at a PCA event.

First, let's start out by saying that this has nothing to do with driving a friend's car or a student's car at a moving car event. As you probably already know, PCA does not provide insurance coverage of any sort for damage sustained by cars at moving car events. You are on your own in this regard. My recommendation is that before you allow your car to be driven by another, or before you drive another's car, you discuss with them how you will proceed should something bad happen.

Second, PCA Motorsports Liability policy provides coverage for Official Vehicles that are owned by others, but used at PCA events. So if a dealer wants to provide an official vehicle for use at an event, such as a pace car or tow vehicle, then PCA has coverage if negligence on the part of PCA's member, volunteer or other official results in damage to the vehicle. If the vehicle is damaged by someone not associated with PCA, then the vehicle owner will need to look to its own insurer or to the non-associated person to recover for the damage to the vehicle.

Finally, is the type of situation that led to the 908 Suit. It is important to know that PCA's Motorsports Liability policy excludes coverage for property in the care, custody and control of PCA and its Regions and Zones. That is typical of any liability policy. Such policies are designed to protect one when he or she damages the property of another. Essentially, if you want insurance coverage for property that you own, lease, rent, borrow or that is in your care, custody and control you have to purchase property and casualty coverage for the property. Just think of your own auto coverage. You have liability coverage for the property of others that you damage and then you also decide if you want to purchase comprehensive and collision coverage for your car. It is separate coverage. PCA carries coverage for its own property, including computers, office furniture, timing and scoring equipment, etc. that is owned by PCA National. However, if your Region owns any such similar equipment, then you must purchase coverage if you want it insured against loss or damage.

But more importantly, is the exposure that is assumed by PCA and/or the Region when the Region takes custody of someone else's property without first making certain that the property has adequate insurance coverage and that the owner and its insurer have waived subrogation against PCA and the Region if the property is damaged. In other words, the property owner will look exclusively to their own insurance if the property is damaged and that their insurer waives its right to seek reimbursement for the damage from PCA and/or the Region. Take the example of a Region who wants to host a technical event and would like to display a member's car or a non-member's car during the event. If the car is taken into the care, custody and control of the Region's members during the event and it is damaged, then there is no coverage for the damage to the car.

So how do you avoid the problem? First, you make it clear to the owner of the vehicle that the Region will not take control of the vehicle at any time and that the owner will remain in custody of the vehicle at all times and you put this understanding in writing. So if the car owner brings his car(s) to the event you make certain that the car is driven only by the owner and that the owner maintains the keys to the vehicle overnight. You should put in writing that the owner remains in the care, custody and control of the car at all times during the event. It can be explained to the car owner that this is for his or her benefit in that if he or she remains in custody of the vehicle and it is damaged during the event due to PCA's negligence, then PCA has liability insurance coverage to pay for the damage.

Set forth below are two sample agreements for your use. The first should be used when the vehicle owner will remain in custody of the car, but perhaps the car will remain overnight at the event site such as a display of historic cars that PCA has asked people to bring their cars for display.

If it is impossible for the owner to remain in custody of the vehicle under the arrangement envisioned, then the Region should not take custody of the vehicle unless the owner is willing to state in writing that PCA shall have no liability for any damage sustained by the vehicle and that the owner will look strictly to his or her own insurer for damage to the car and agrees to have its insurer waive subrogation against PCA. The second agreement set forth below is designed for that purpose.

Please let me know if you have any questions in regard to the foregoing.

AGREEMENT REGARDING USE OF VEHICLE AT PCA EVENT

This Agreement is entered into this ____ day of _____, 20__, by and between _____, hereinafter referred to as “Vehicle Owner,” and the Porsche Club of America, Inc. and its zones, regions, officers, directors, members, representatives and agents, hereinafter collectively referred to as “PCA,” with regard to one or more vehicles either owned by or in the care, custody and control of Vehicle Owner. The parties to this Agreement hereby agree as follows:

Vehicle Owner desires to bring a vehicle(s) to a PCA event to be held in or near the City of _____, _____, between the dates of _____ and _____, 200_. Vehicle Owner believes and acknowledges that bringing the vehicle to the PCA event will be of benefit to the Vehicle Owner only.

Vehicle Owner agrees that at all times during the event Vehicle Owner will remain in the care, custody and control of the vehicle and will not relinquish same to PCA. Even if Vehicle Owner allows a PCA member to drive the vehicle(s), the Vehicle Owner will remain in care, custody and control of the vehicle(s).

Thus done and signed at _____, _____.

Signature

Signature

Print Name

Print Name

Title

Title

Vehicle Owner

PCA Region or Zone

Address

Address

City, State, Zip

City, State, Zip

AGREEMENT REGARDING USE OF VEHICLE AT PCA EVENT

This Agreement is entered into this ____ day of _____, 20__, by and between _____, hereinafter referred to as “Vehicle Owner,” and the Porsche Club of America, Inc. and its zones, regions, officers, directors, members, representatives and agents, hereinafter collectively referred to as “PCA,” with regard to one or more vehicles either owned by or in the care, custody and control of Vehicle Owner. The parties to this Agreement hereby agree as follows:

Vehicle Owner desires to bring a vehicle(s) to a PCA event to be held in or near the City of _____, _____, between the dates of _____ and _____, 200_. Vehicle Owner believes and acknowledges that bringing the vehicle to the PCA event will be of benefit to the Vehicle Owner only.

Vehicle Owner agrees that at all times during the event Vehicle Owner will remain in the care, custody and control of the vehicle and will not relinquish same to PCA. Even if Vehicle Owner allows a PCA member to drive the vehicle(s), the Vehicle Owner will remain in care, custody and control of the vehicle(s).

Vehicle Owner agrees to have the vehicle(s) insured against damage to or loss of the vehicle(s) at all times during the event and agrees to look solely to its own insurance for any damage to the vehicle during the event. Any deductibles due under any such policies of insurance will be for the sole account of Vehicle Owner.

Vehicle Owner agrees that it will have its insurer waive subrogation against PCA in connection with any damage or loss of the vehicle(s). Should Vehicle Owner fail to have its insurer waive subrogation against PCA, the Vehicle Owner agrees to defend,

indemnify and hold harmless PCA in connection with any damage to or loss of the vehicle(s).

Thus done and signed at _____, _____.

Signature

Signature

Print Name

Print Name

Title

Title

Vehicle Owner

PCA Region or Zone

Address

Address

City, State, Zip

City, State, Zip