



# United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, N.W.

Washington, D.C. 20240

IN REPLY REFER TO:  
(2410)

OCT 16 2014

Memorandum

To: Regional Directors .

From: Associate Director, Business Services

Subject: Commercial Recreational Service Insurance Requirements

The Commercial Services Program is currently reviewing methods for specifying insurance requirements in concession contracts and Commercial Use Authorizations (CUAs) for recreational services. Recreational services include guided hunting, fishing, mountaineering, hiking, backpacking, horseback riding, rafting, and others.

Until this review is completed, the commercial general liability insurance minimums for all new concession contracts for recreational services will be set using the attached risk profile table. The attached table also will apply to CUAs. Automobile liability will be set using U.S. Department of Transportation minimums. Any deviation from using these minimums must have approval from the Associate Director, Business Services.

The review will help ensure that insurance minimums placed in concession contracts or CUAs continue to meet policy goals, reflect current industry practices, and function appropriately for these types of services in parks. The review is occurring in consultation with the program's contracted insurance expert, park and regional Commercial Services personnel, other land-management agency representatives, as well as concession and insurance industry representatives. The review will be completed by the end of 2014.

Regions must continue to use the services of the program's insurance consultant for prospectus development projects. The consultant will assist in defining the risk of the operation, determining appropriate insurance types, identifying insurance amounts above the minimums that prudent operators may carry, providing policy cost estimates for use in franchise fee analysis, and providing other insurance technical support during prospectus development.

Please contact Melody Krueger at 303-987-6911 or [melody.krueger@nps.gov](mailto:melody.krueger@nps.gov) for insurance consultant support. Please distribute this memorandum to superintendents in your region.

Attachment

**Risk Profile to Set Commercial Liability Insurance Minimums**

KEY FACTORS			Risk - Number of Participants	
			Few	Many
Risk- Potential for Multiple-person Accident and/or more Serious Accidents	High	<b>MINIMUMS</b>	<b>\$1M/\$2M</b>	<b>\$2M/\$4M</b>
		Example Services	<b>Mountaineering</b>	<b>Class IV-V Raft</b>
	Med	<b>MINIMUMS</b>	<b>\$1M/\$2M</b>	<b>\$1.5M/\$3M</b>
		Example Services	<b>Guided Horse Rides</b>	<b>Class III-IV Raft</b>
	Low	<b>MINIMUMS</b>	<b>\$500K/\$1M</b>	<b>\$1M/\$2M</b>
		Example Services	<b>Guided Backpacking, Guided Hunting</b>	<b>Class I-III Raft/Float</b>

All commercial general liability insurance minimums are listed as \$ Per Occurrence/\$ General Aggregate.