

Agritourism

There are inherent hazards in
agriculture

Americans are litigation happy

You can take every precaution
and still get sued

Risk can be managed!

Managing Risk

Avoid risk – don't offer the activity

Retain the risk - accept it

Minimize the risk – your risk management plan

Transfer the risk – liability insurance

What we'll cover today

What's your legal responsibility?

Why a risk management plan is important to your success

Strategies to manage your risks

Hazards on your property

Need for liability insurance

Liability waivers

Employee issues

Children, Elderly, Disabled

Liability = Legal Responsibility

Under California law, the person who owns or leases property is legally responsible for the well-being of visitors

Strategies to reduce risk and liability

Avoid certain activities

Make your operation as safe as possible

Issue liability waivers

Select the appropriate legal structure for your business

Follow good management rules for hiring & training employees

Buy insurance

Farm Safety

Evaluate your venture – Agritourism poses risks for your visitors, your property, animals, and staff

Evaluate your activities – identify the potential hazards in your planned activities

Examples – parking; hayrides; food; alcohol

Farm Safety

Bar visitors from animals not available for viewing

Block off bodies of water

Clean up visitor areas

Conduct employee safety training

Establish an emergency plan

Explain hazards to your guests

Guard against fire

Identify and enforce visitor areas and rules

Lock your shops

Farm Safety

Post boundaries

Post safety rules

Prevent hand-mouth activities where animals are located

Provide adequate parking

Provide hand washing facilities

Provide sanitary restrooms

Secure pesticides and other poisons

Stay constantly vigilant for hazards

Animals

Dogs

Poultry including geese and turkeys

Small livestock

Horses and ponies

Cattle and calves

Other Liability Concerns

Alcoholic beverages

Transportation

Vicarious liability

Off farm liability

Issue Liability Waivers

A liability waiver asserts that your guests assume responsibility for certain risks

Does not absolve you of your responsibility for your guests' health and safety

Is a legal document, valid in court, and highlights risk for your visitors

Check with your lawyer or insurance agent

Appropriate Legal Structure

Your choice will influence many components of your enterprise including management, taxation, and succession planning

Sole proprietorship

Limited proprietorship

General partnership

Limited partnership

Limited liability partnership

Corporation

Talk with your Lawyer and Insurance Agent

Be open & candid about your assets

Determine if your current insurance is
adequate

It's likely you'll need additional
coverage to cover your Agritourism
activities

Cheap doesn't necessarily mean best!

Insurance Types

Liability insurance shifts risk from you to your insurance company

Disability insurance

Life insurance

Key person insurance

Retirement planning

Workers' compensation

Is it worth it? Acid test

Does the difference between the insurance premium and the income gained provide you enough income to make the new enterprise worthwhile?

Can you pass on the cost of the insurance to your customers or will the cost of the insurance limit the demand for the activity?

Making the right choices

Your agent: An independent agent can shop with different companies

Consider an agent with an AFIS certification (Agribusiness and Farm Insurance Specialist)

Your insurance company

Review your coverages at least once a year

Get competitive quotes every 2-3 years

Employee considerations

Background checks on any potential employees who would come into contact with children

Follow good hiring practices

Orient and train your employees

Encourage, empower, reward

Documentation is very important

Provide safe and health conditions

Children, Elderly, Disabled

Special needs demand special attention

Americans with Disabilities Act (ADA) mandates any business serving the public meet specified accessibility standards including access to

Parking

Restrooms

Eating facilities

Transportation

Lodging

Summary

You are responsible for the health and safety of your visitors and employees

Risk cannot be eliminated but can be managed

Creating a risk management plan is essential to running a successful business

There are numerous strategies to reduce risk

You need to rely on your management team – especially your attorney and insurance agent – to determine your liability insurance needs

You are required by law to address the special needs of the disabled

Resources

Agritourism and Nature Tourism in California
UC Agricultural and Natural Resources,
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UC Small Farm Program

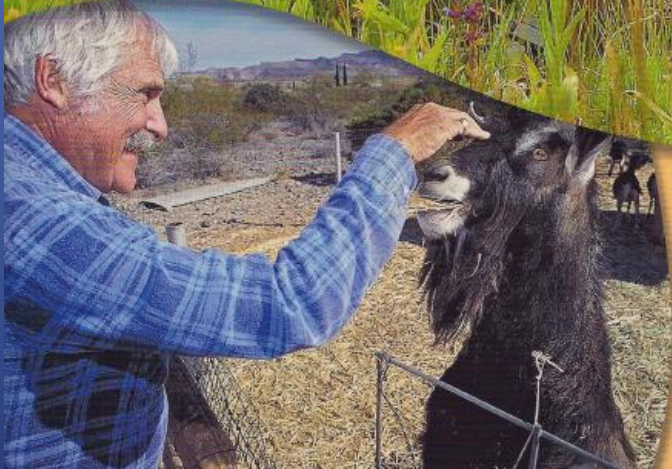
<http://sfp.ucdavis.edu/agritourism/>



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