

Purpose and Content

- ▲ This document provides an update on the activities and recommendations of the TTN Gold Program Development Committee to the Ontario Trails Council Board
- ▲ It includes information on insurance for trails as a background to and important pillar of, the TTN program
- ▲ This document contains the following sections:
 - Background
 - Status
 - Outlook
 - Authorization

Background: TTN Business Plan

- ▲ At the 2007 OTC AGM the membership approved the Trillium Trail Network Business Plan.
- ▲ Within the [TTN Business Plan](#), shared TTN programs will be developed within and between three industry sectors identified as follows:
 - **Blue** sector – will comprise TDMOs developing and/or maintaining water (and land used for portage) trails for travel primarily by canoes, kayaks and other self-powered vehicles;
 - **Green** sector – will comprise TDMOs developing and/or maintaining land-based trails free of cost to permitted users where motorized uses are not typically permitted; and
 - **Gold** sector – will comprise TDMOs developing and/or maintaining land-based trails requiring a mandatory use fee and primarily used for assisted travel by ATV, motorcycle, snowmobile, horseback, dog sled and bicycle.

Background: Gold Program Development Committee

- ▲ On May 11, 2007, the OTC Board approved the following motions:
- That the Trillium Trail Network Gold Trail use permit working group report discussion document dated April 2007 and the OTC TTN gold permit working group meeting notes dated May 3, 2007 be accepted in principle as guiding framework documents for development of the TTN Gold Program.
 - That Cindy Cassidy, Wayne Daub and Ron Purchase be confirmed for a period of one year as the “TTN Gold Program Development Committee”. This committee will consult with primary stakeholders and provide recommendations to the OTC board or it’s designated on Gold Program Implementation consistent with the approved framework documents.
- (OTC President and Executive Director are ex officio members)

Background: Key Concepts

- ▲ Landowners and their agents, whether private or public, increasingly require that the recreational trails they allow on their property be fully managed. This is particularly the case for trails where motorized use is permitted. We expect this trend to continue to grow threatening access for some user types.
- ▲ A managed trail is one where the responsibility and liability for trail operation is transferred from the landowner typically to a not-for-profit organization that commits to provide trail management services often including insurance, risk control, signage, patrol, water control, water crossings, and trespass control. The Ontario Trails Council refers to trail management groups as Trail Development and Maintenance Organizations – or TDMOs.

Background: Key Concepts

- ▲ The permitted uses of managed trails are established based first on the requirements of the landowner and second by the values of the TDMO that obtains the permission of the land owner. Both groups consider, but are not bound by, the opinions of individual users and user groups on how trails should be managed.
- ▲ The OTC Gold Program is best viewed as a “product group” within which TDMOs who manage trails with motorized use fees can develop shared programs and services identified as mutually beneficial. [TTN Gold Committee News](#)

Background - Covering Costs

- ▲ Insurance is a number one priority because risk of accident, and related risk of court or settlement, is the number one reason trails cease operation
- ▲ Insurance is necessary to protect the trail operators in case someone has an accident on the trail, pathway or property on which the trail lies, it protects 3rd parties as well.
- ▲ Insurance provides for the costs of litigating court case, or for the costs of settlement to avoid trial
- ▲ Insurance is not necessarily difficult to get – at first. Insurance is easier to acquire if you are non-motorized trail than if you are a motorized trail. Insurance for all trails is easier to acquire if you operate single track or single use trail.

Background – Insurance works how?

- ▲ How it works – you want to have insurance to protect you or your group in the event of accident, injury or court.
- ▲ It's a way of protecting you personally and your stuff by transferring the responsibility for claim to something else – i.e. a trail group
- ▲ You pay a monthly fee to an insurance company for a policy. The policy states what the insurer will and won't do for you in certain circumstances, and what you need to do to ensure they do what they say they will.
- ▲ They keep offering you this protection unless you make a claim, in which case you could see the rates go up or the policy cease.
- ▲ You can lose coverage because \$3,000 a year won't (at any time) recover the \$5,000,000 they lose in your first out of court settlement.

Insurance – How much is enough?

- ▲ Insurance Industry – you can never have too much insurance, or how badly do you want to protect your assets?

- ▲ Who has it?
 - rider on licensed machines
 - homeowner for pathways
 - trail operating group
 - landowner of the trail
 - Provincial oversight body

- ▲ Why - It takes a lot of named insured's to recover the \$5,000,000 on 3,000 – \$20,000 a year

Background – Key Concepts

- ▲ Insurance is easier to maintain, repeat the policy and keep costs affordable through demonstrable risk management practices:
 - Trained users
 - Engineered Trail
 - Managed trails systems
 - Waivers
 - Event management safeguards
 - Oversight body
 - Lowering the deductible
 - Volume purchase
 - User Pays Some Cost

Background – Key Concepts

- ▲ Trained Users – whether in a club or trained by a federation, riders that ride responsibly, are permitted, pay for the privilege, licensed or who sign off on some sort of etiquette principle are more likely to ensure the safety of their trail. Historically because users where the builders this responsibility ethics was built into the system – [see OTC Etiquette](#)
- ▲ Engineered Trail – traditionally we have stacked users in multi-use systems. We must get away from this. The IMBA has produced a range of materials that promotes sound engineering in a multi-use environment. Single use, non-motorized trails are the easiest to get insurance coverage for. Standards, [Ontario](#), [IMBA](#)

Background – Key Concepts

- ▲ Event Management Safeguards – in order to cover costs, promote tourism, engage in club activity, socialize and get healthy, trails are used for events, promote events or run events in conjunction with other charitable causes. Additional insurance should be secured, event planning practices should be followed, municipal or land owner support secured – OTC Event [Planning \(1\)](#) or [\(2\)](#)
- ▲ Oversight Body – trails do not just happen. In today's Ontario trails are sustained because they have an order in council, an incorporated land management authority, Regional Trail Committee, or other legislative support backing their operation – i.e. Niagara Escarpment Act enables the Bruce Trail – [OTC TCTO RTC Development Resource](#)

Background – Key Concepts

- ▲ Managed trail systems – a managed trail system is staffed like any other recreational infrastructure, (i.e. a pool) this sees a variety of management practices in place, an oversight body, engineered environment, supervision, user education, sustainability practices, record keeping, trained and capable staff. [List of existing RMC's](#)
- ▲ Waivers – form part of the line of defense that secures and sustains insurance, waivers for use, for events, but also includes such important elements as signage, directional indicators, GPS coordination, maps, trip planning aids, record keeping. [Forms for use by groups](#)

Background – Key Concepts

- ▲ Lowering the Deductable – this can be accomplished in a variety of ways. You can have your trail assumed by the municipal policy, through an order of council. You can add your trail to your recreational policy. You could run your trail on municipal or other crown lands. Your trail could form part of a larger system that also has insurance, or takes insurance responsibility for you.
- ▲ Volume Purchase – this works as long as there is one volume purchaser, all the trails joining the program have been evaluated and admitted to their insurance needs, capabilities, safeguards and practices and past history. This evaluation process requires staff, evaluation time and insurance industry understanding.

Background – Key Concepts

- ▲ User Pays Some Costs – in all other recreational systems in Ontario, provincial parks, conservation authorities, snowmobile trails, pools, hockey arenas, cricket patches, beach volleyball, taxes, admission fees, or permits have all assisted in the development and sustainability of the Rec area.
- ▲ In trails we need the users, trail operators and land managers to join the network, to build to the volume we need to secure the insurance to keep the network.
- ▲ One first important step – getting users to assist in paying for the trails they want to use.

Insurance – Current Plans

- ▲ Capri Insurance – holds the OTC as well as some 14 other trail organization policies in Ontario. Operates coast to coast. Will provide insurance, wants to see RM in place, layering insurance proven assistor, understands the market well. Working on Blue-Green-Gold program, may not get one umbrella policy out of them for all. ([Available on-line through OTC website](#))
- ▲ Others – JLT, IWSF (QUE),
- ▲ Trans Canada Trail – Oasis Insurance – operates out of Saskatchewan where there is no public support for insurance, will offer to non-motorized, looking at volume recapture through TCT branded trails. Reaction to movement towards public underwriting of trails. May offer to non-TCT but again that's to capture as many trails as possible. ([Available on-line through OTC website](#))

Insurance – Current Plans

- ▲ Marsh Insurance – in [Nova Scotia](#) the provincial government stepped in to underwrite the first 1,000,000 in insurance claims on trails. This fund allowed the insurance industry, Marsh to offer lower cost insurance to groups. We are asking for the same in Ontario.
- ▲ OFSC Self-insurance models – [Sledders Choice](#), in this case the OFSC through its permit and club structure, as well as the Snowmobile Act, is able to collect and re-apply funds internally to a self-insurance program. Similar to the NS model where they apply from a secure and dedicated source such that the insurers risk of offering that policy are minimized to the point where they can offer the policy.

Insurance – Current Plans

- ▲ Municipalities and Government Bodies – these groups can assist you by incorporating and then underwriting you. Their risk management office can work to assess your trail and assume responsibility for it. In the OTC case the fact that 75% of our members do this kept our policy in place.
- ▲ Local Brokers – many of these folks are working very hard to get insurance for trails. They all seem to source Lloyds of London, so your particular management of your trail is key to securing an offer through your broker.
- ▲ [OTC Trails Insurance Survey](#) – this on-line survey is studying the status of insurance and various programs currently available.

Insurance Resources

- ▲ [OTC Trail Liability Study 2002](#)
- ▲ [Rail to Trail Conservancy Liability Study](#)
- ▲ [Ontario Trail Strategy 2005](#)
- ▲ [OTC Insurance Survey 2007](#) [On-Line](#)

- ▲ [NS Trails](#) [Marsh Insurance](#)
- ▲ [OFSC Website](#) [Sledders Choice](#)
- ▲ [Capri Insurance](#) [TCT National \(1\)](#) [Off-Road](#)
- ▲ [Marsh Insurance](#)
- ▲ [JLT Insurance](#)
- ▲ [Oasis Insurance](#) [TCT National \(2\)](#)
- ▲ [Jones Brown Insurance](#) [Jones Brown Motorsports RM Manual](#)

Trillium Trail Network Status Report

Part Two - The Permit Program

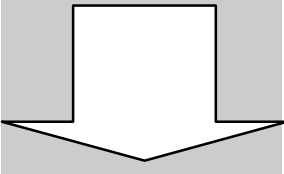


Background: Gold Permit Trails

- ▲ A common Gold Trail Permit is one of the products and services to be offered within the overall Gold Program.

- ▲ Implementing the Gold Trail Permit was identified by the Committee as a priority for the following reasons:
 - The urgent need for primary sustainable revenues for participating TDMOs.
 - The need to establish a core funding program that can attract investment by government and sponsors.
 - The need for program revenues at the Provincial Association level.
 - The need for program revenue for Gold Program development.
 - The high level of current interest by many TDMOs in user fees.
 - The potential for a competing ATV Ontario provincial permit.

Background: Menu of Fixed Retail Prices

TDMO Authorized Trail Use	Annual	Weekly	Daily	
All Terrain Vehicle	\$140.00	\$75.00	\$20.00	ATV Permit includes all other authorized uses. 
Horseback Riding	\$75.00	\$25.00	\$7.50	
Dog Sledding	\$75.00	\$25.00	\$7.50	
Bicycle	\$50.00	\$20.00	\$5.00	
Nordic Skiing	\$35.00	\$15.00	\$3.50	
Other Uses	Locally determined, no reciprocity.			

- Notes:
1. Off Road Motorcycles, Off Road Trucks, and other use types may be added after further discussion and study.
 2. Exemptions for non-recreational use and landowners to be clarified.
 3. Current permit systems are grandfathered into the program not modified by it as the OTC does not have local or regional authority to do so.

Background: Revenue Apportionment

▲ **Each dollar of revenue generated through the sale of a TTN Gold Permit will be apportioned within the authorized uses it was sold for as follows:**

- The majority (~70%) of revenue stays with the **Selling TDMO** for immediate trail development and maintenance support.
- A minor portion (~10%) of revenue will be applied to a **Revenue Sharing Fund** which participant TDMOs can access based on need.
- A minor portion (~10%) of revenue will be applied to **Gold Programs and Services** which can be accessed by all participant organizations.
- A minor portion (~10%) of revenue will be applied to **Individual Use Segment Programs and Services** which can be accessed by individual use types only through provincial associations.

Background: Current Committee Activities

▲ TTN Gold Program Development Committee activity remains focused on the following tasks:

- 1. Consultation with Primary Stakeholders.**
- 2. Establishing reciprocal recognition by the carriers of existing EOTA and OFATV insurance policies.**
- 3. Preliminary design considerations for the Gold Permit consumer product.**
- 4. Preliminary content for the Gold Program.**
- 5. Preliminary working budgets in consideration of the above.**

Status: Current Committee Priorities

1) Stakeholder Consultation

- The committee exchanged written briefs with two primary stakeholders: OFTR and OF4WD.
- Concerns appear to be primarily with the lack of detail pertaining to the management principles for Gold Trails.
- In the absence of such detail, the committee provided information on its assessment of the current business environment within the Gold Program would be developed.
- The committee also recommended that off-road motorcycles and trucks be included in the menu of common fees and has provided its rationale as clearly as it can. There is no agreement at this point to make that change.
- Reconciling TDMO needs and User Group wishes will continue to be considered during Gold Program development.

Status: Current Committee Priorities

2) Insurance Reciprocity

- The cost of providing adequate general liability insurance coverage for trail operations has been identified as a major challenge by many TDMOs.
- Providing an affordable insurance option for TDMOs is a key Gold Program element. The Gold Permit is the mechanism to generate the required resources. The chicken an egg dilemma is obvious.
- Both OFATV and EOTA have existing insurance programs. Establishing immediate reciprocal recognition under the respective insurance programs provides the breathing room necessary to establish and grow the Gold Program.

Status: Current Committee Priorities

3) Gold Permit

- The committee has begun discussions on the development of the Gold Permit consumer product and administration process drawing on best practices of established program for administrative processes.

4) Gold Program

- A preliminary TTN Program Manual outline has been developed.
- The committee recommends that the ATV Tourism Product Model be adopted for Gold Program use.

5) Gold Program Budget

- While some work has been done on budgeting, it remains at the exploratory level.

Outlook: Recommended Near Term Action Plan

Top Three Immediate Priorities

1. Finalize the reciprocal insurance arrangement between OFATV and EOTA.
2. Initiate communication program announcing the commencement of the Gold Permit Program.
3. Finalize the Gold Permit consumer product, identify a vendor, secure printing costs, and place order.

Priorities prior to full functioning

4. Finalize Gold Permit administrative processes including formal agreements with Participating TDMOs.
5. Distribute Gold Permits to Participating TDMOs.
6. Report progress and recommend next steps to the OTC Board.

Current Challenges

- ▲ Getting the data from the sector – complete the on-line survey, unless we tell the OTC and request a One Province One Pass system, with insurance under the biggest umbrella insurance could remain a problem. [Complete the on-line survey](#)
- ▲ Networking existing trails – once you move from a single trail single insurer in order to capture volume savings, meshing different insurance plans together is difficult if not impossible. Unless
- ▲ Standardize trail assessments – please use the templates of the Ontario Trail Tourism Model – we've endorsed it, understand it and can evaluate you using it. Download templates here

Arising from OTC Board Oct 26, 2007

- ▲ **Four courses of action were approved by the OTC Board:**
- ▲ That the issues of the TTN are OTC level concerns;
- ▲ That the Gold Permit Group keep functioning, with the core permit operators as lead hands;
- ▲ That a formal report on recommendations related to insurance be forwarded by the committee, utilizing resources available through the MHP Risk Management Program; and,
- ▲ That OTC use of independent counsel concerning network reciprocity; and the pursuit of MHP OTCC legislative review recommendations continue, as negotiated through Tim West.