

OTHER PRODUCTS

While the majority of our business is providing protection for your events and activities with liability and participant accident insurance coverage we do offer the following additional products.

- ✦ Property Insurance
- ✦ Off track and storage
- ✦ Directors and Officers
- ✦ Weather Cancellation Insurance
- ✦ Prize Indemnity-Spectator promotion Insurance

Finally,

As mentioned earlier, your insurance is most likely renewing in the next couple of months. In fact 80% of our renewals are within a 60 day period. You will receive the appropriate renewal application from us. Please return the completed and signed application along with the specified required information as soon as possible. This will allow us the proper time to review and provide your renewal terms.

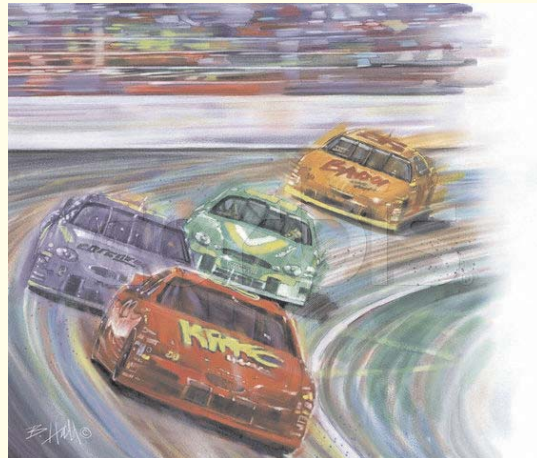
As always, please feel free to contact me to discuss any motorsports insurance issues at any time. Your comments regarding this newsletter are always appreciated. Suggestions are welcome.

Regards,

Kevin Besta

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Newsletter

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We turn the page on what I hope was a successful year for you and start to plan the upcoming racing season. I have noticed through your websites that schedules, rules and meetings for this year are being announced on a regular basis. It will not be long until spring. I recognize that racing goes on all year but for the vast majority, racing starts in the spring. No offense to the snowmobile and ice racing community.

We at Jones Brown Motorsports want to wish everyone a safe, dry and successful 2006.

5th Season Already

Jones Brown Motorsports is entering the 5th season for providing motorsports insurance in Canada. For those of you who have been with us from day one and to those who have become insured with us since day one, we sincerely thank you. Without our valued clients, we would not be Canada's source for motorsports insurance.

Jones Brown Motorsports provides insurance for all classes of motorsports. This includes national sanction bodies, regional sanction bodies, club events, major events, road course racing, oval and drag racing, motorcycle events, monster truck, demolition derbies, motorcycle stunt shows, truck and tractor pulls, mud bogs, solo I, Solo II, lapping days, driver training and schools, corporate entertainment and new car introductions, rally racing, go kart racing, concession and corporate go karting including family fun centres, race teams and race shops and our newest class, snowmobile racing. All of this activity keeps us busy all year. We would not have it any other way. We could not have done it without you. I am proud to be your insurance provider and look forward to working for you for many years to come.

PAST AND FUTURE

In 2005, Jones Brown Motorsports introduced:

1. WEBSITE.

This is your online resource for waivers, incident forms, claims information, coverage information and up to date contact information. www.jonesbrown.com/motorsports

2. UPDATE RISK MANAGEMENT MANUAL.

If you have not taken the time to read, I would ask that you do take the time. I would suggest that you and all persons responsible for a safe and successful event review at least once a year.

The manual was put together to assist you in understanding your motorsports insurance but more importantly to assist you in developing policies and procedures to limit your exposure to business loss.

3. SIGNAGE

Warning signs were provided to you for the registration area and for the spectator area. If you haven't put them up, please use them. If you require more, let us know. The signs are an important risk management tool.

4. BETTER PAYMENT PLANS

I understand that the best payment plan is none at all but unfortunately, the insurance company requires funding to pay for the claims that do occur. We believe that we do offer very fair and competitive payment options. As always, please contact me to discuss any issues or ideas you have regarding your payment situation.

In 2006, we will continue to improve our service:

1. IMPROVED WEBSITE

We are working to provide on-line applications and certificate requests

2. INTRODUCE NEW PRODUCTS

A new participant accident product for individual racers will be introduced in February. I would ask for your assistance in getting the word out to the racers.

3. BEST SERVICE

It is our goal to provide the best service. Our policy is to return all phone calls and answer all emails within 24 hours. Our policy for certificate requests is 48 hours from receiving the written request. As you can appreciate that the number of calls and requests grows appreciably in the spring, we still strive to meet the applicable targets, and if we inadvertently miss this target, please be patient. Email is the most efficient tool for communicating, as we require most requests in writing anyway.

4. E-MAIL

We will be using email to communicate more efficiently with you in 2006. Policy renewal quotes, certificates, newsletters will be sent out to you by e-mail. If you prefer to receive by regular mail, let us know and we will use the regular mail.

The primary goal of Jones Brown Motorsports, as it has been from day one, is to have open communication with you and to have open communication with the insurance company underwriters.

CLAIMS ACTIVITY

2005 did see an increase in claims activity. We are seeing that individuals are quicker to seek compensation by means of a lawsuit. Fortunately, most of these claims are frivolous and without merit but regretfully must be defended and that does become a claims cost. There are no winners when lawyers take a run at you. All insurance policies have a deductible that includes legal expenses. A lawsuit will cost you at least your deductible, never mind the time and energy of you and your staff. The best way to offset this growing trend is increased diligence. A few suggestions:

1. Do a pre-event inspection of the site noting any physical deficiencies that require either immediate action or as soon as possible. Keep a logbook of the date, notes of the day and what if any corrective action was taken, when completed. This could be important in a claims defense for you.
2. Are the personnel who register your participants provided with the best tools to do handle their responsibilities correctly? Do they have enough waiver forms? Do they understand the importance of a properly completed waiver? Are they trained to store the waiver? (Never fold). I believe crowd control and respect are issues that could affect their ability to do the job properly.

Remember, waivers are your first defence in a participant claim and the requirement for proper waiver procedure forms part of your insurance coverage. Cutting corners could leave you exposed to an uninsured claim.

3. Where are fans (spectators and participants) watching from? Is this the safest place for them? Are they in harms way? Should they be allowed there? Maybe you should move them. No one should ever be leaning against any fence that is directly facing any track surface. That fence is there for a reason. The reason is not for people to rest against. Vehicles and debris move faster than anyone can react. Protect them from themselves and protect yourself from a needless claim. Its good business.

4. Emergency Plan. This is mentioned every year. There is also discussion in the Risk Management Manual. It is important that you have an emergency and even more important that you and your staff know what it is, what is to be done and how it is to be done. Take the time in the off season to put together your emergency plan. If you have one, take the time to review.

2006 Initiatives

1. Safety crew/Emergency/Track workers. Please dress all on track personnel in emergency clothing. I have been to events at night where it is nearly impossible to see the emergency workers while they are on the track. Take a look at what the local highway/road crews wear and outfit your on-track personnel the same way. This is an inexpensive major improvement.

2. Driver Apparel. This newsletter may be written too late for the 2006 season as most rulebooks are already printed for this year. Start planning for next year but start the discussion this year.

- (i) Helmets-The new Snell 2005 standard helmet is out. No one should be racing (all classes) with a helmet that is older than Snell 95. That would make the helmet over 10 years old.

International rules state that Snell 2000 should be the minimum standard. Helmets are not that expensive. (Less than tires). Motorcycle helmets are not designed for race cars.

They are not built to sustain those types of crashes and therefore are not permitted. If a racer cannot afford a proper helmet, you cannot afford to place your business at risk when there is a needless injury by letting them participate.

- (ii) Clothing. Keep moving up the bar every season. Fire is probably the racers worst possible situation. (In my opinion). Give them as much chance as possible.
- (iii) Seats, seatbelts, roll cages, fuel cells, etc. Is the equipment you require the best it can be for the class? It seems that the least experienced racer is in the vehicle with the lowest safety requirements. What is the cost of entry? What is the difference between your current standard and the next standard? It may not be that high dollar wise. I suggest you make the incremental changes that raise the bar over time.
- (iv) Head and Neck Support. This is becoming more affordable for all racers. The best practice is to encourage all your racers to investigate and make informed decisions about their own personal safety.

At the end of the day, I think we can all agree that you can lead a competitor to safer equipment but you can't make them move forward on their own unless you regulate the issue. This is important to the continued success for your business, your participants and your community. I do understand the financial impact to your participants and potentially to you from the racers who choose to leave the sport instead of paying to protect themselves. Most sports require the most current and best safety equipment at all times. You would not let your children play hockey without the best equipment you could afford. Don't let your friends. I suggest continuous improvement.

I also suggest that you work with other promoters, etc. in your area to have the same requirements. There should be no competitive advantage by having less than adequate safety standards.

PARTICIPANT COVERAGE

Jones Brown Motorsports is proud to offer the following for participants:

- Off track and Storage Insurance.-coverage for competition vehicles, spare parts, tools and equipment while in storage, transit and while at the race track but not while operating under its own power.
- Race Team and Race Shop Property and Liability-coverage for owned or rented buildings, stock and equipment along with liability insurance for the year round operations.
- Enhanced Participant Accident-We offer a few programs. You may purchase increased coverage for your events such as increased AD&D or wish to add excess medical coverage. You may also purchase enhanced benefits for your officials including weekly income. You can offer to your racers an increased AD&D benefit through their license. We also will be offering Individual competitor plans that they can purchase which includes Accidental death and dismemberment, Excess Medical and Weekly income. Coverage applies to any organized event worldwide.

I will be sending out more information to you. The information will also be available on line at our website.

I am asking for your assistance in getting the Participant coverage information to your participants. You have the relationship. Please let me know how we can work together to provide this protection for your clients.

EMERGENCY EVACUATION GUIDELINES

Now is the time to prepare. If you have not prepared an emergency plan for your operations, it is strongly recommended that you do so prior to your next event. If you have an emergency plan in place, it is strongly recommended that you review and discuss with all the parties involved prior to your next event.

The sudden need to evacuate and secure the track requires planning, authority, and a master plan understood by all. The absence of such can only add to a catastrophe. Sudden need may arise from:

- (1) Severe weather (electrical or wind);
- (2) Unexpected catastrophe (such as riot, bleacher collapse, or plane crash); or
- (3) Potential catastrophe (such as bomb threat).

Whichever, the master plan is to bring order into the disorder of the circumstances being suddenly faced.

Decision Maker

On a race day, a chief decision maker must be known, accessible, and with the authority to move within established policies, procedures and criteria for action. Typically, this is delegated to the ranking staff person present, with the chief of security helping provide important information and implementing the decisions.

Informed Awareness

The security chief should see that information is readily processed as needed to and from designated liaison personnel from the weather station, police department, fire department, and emergency medical services. Internally, he/she should organize a communication network with the head usher, gate and parking lot supervisors, concessionaries, major media and key backstretch personnel.

Course of Action

Directions to patrons, facility staff, and backstretch personnel for evacuation must be effective yet as simple as possible, whether out of prudence (bomb threat) or out of reality (earthquake). **The routes of evacuation must be monitored against obstruction and be other than the routes of entry by fire, police, and rescue personnel.** Plans should include alternatives for blocked routes, attentions to the parking area as well as the facility, securing the vacated premises, and routes for incoming emergency vehicles/personnel.

Communication System

A "command post" should be planned as the hub for processing all information and directions involving the decision maker, security chief, all liaison personnel, and the Track Announcer. Radio contact should be ready in lieu of or in addition to phone contact. Advance work sessions with all involved should include what local experts and authorities believe is the best way to handle the respective causes for evacuation to minimize panic among fans, etc.

Evaluation

The best of planning cannot anticipate all glitches, and a practice staff communication exercise is helpful. Also of help would be the sharing of the master plan with a visiting outside expert who can review the plan as it fits the actual facility and community resources. **A review of the master plan by all persons sharing responsibility for its implementation should be done before each meet.**