# **Legislative Analysis**



Mitchell Bean, Director Phone: (517) 373-8080 http://www.house.mi.gov/hfa

# REVISED EXEMPTION CRITERIA FOR "BOXING ELIMINATION CONTESTS"

House Bill 4784 (Substitute H-1)

**Sponsor: Rep. Jeff Mayes Committee: Regulatory Reform** 

First Analysis (10-6-09)

**BRIEF SUMMARY:** The bill would require a promoter of a Toughman event to register the event with the Department of Labor, Energy, and Economic Growth and pay a registration fee; require a minimum amount of life insurance for contestants; require a contestant to register 24 hours prior to a scheduled bout; and make a contestant ineligible to continue a bout after the third knockdown.

FISCAL IMPACT: The bill would appear to have no material impact on the Department of Energy, Labor, and Economic Growth. While the bill would institute a new \$250 fee for these boxing elimination contests and presumes some level of oversight by the department, the requirement in current law that the promoter be insured "for all medical and hospital expenses to be paid to contestants to cover injuries sustained in the contest" remains unchanged. This insurance provision, it has been noted, effectively prohibits these events from taking place and, as such, it is expected that few such events would lawfully be held in the state. The department indicates that, to the extent such events are held, the \$250 fee wouldn't be sufficient to cover the department's oversight. The department's costs would depend on the extent to which it provides oversight of these events, including processing license applications, enforcement of violations, and compliance with other provisions.

#### THE APPARENT PROBLEM:

In Michigan, amateur boxing contests known as "Toughman" contests are not regulated and are exempted from provisions of the Unarmed Combat Regulatory Act as long as certain conditions are met by the promoter (e.g., having a ringside physician at all bouts and physical exams for all contestants). One of the conditions requires that the promoter insure each of the contestants in an event for all medical and hospital expenses for injuries sustained in the contest. In professional boxing, promoters must also provide \$50,000 of life insurance coverage in the event a contestant dies from his or her injuries. Some believe that promoters of Toughman contests should provide life insurance for their contestants.

In another matter, some feel that promoters should register Toughman contests with the state agency that administers the Unarmed Combat Regulatory Act so that the department can better determine if the event meets the criteria for exemption from the act. An event not meeting the exemption criteria could then be shut down. In addition, it has been recommended that additional safety provisions be added to the exemption criteria, such

as not allowing a spectator at a Toughman contest to decide on the spot to sign up as a contestant.

Legislation has been offered to address these concerns.

#### THE CONTENT OF THE BILL:

The bill would amend the Michigan Unarmed Combat Regulatory Act (MCL 338.3650) to revise the insurance requirement and require an event registration fee for certain "boxing elimination contests" (Toughman contests) that are exempt from the act.

The Unarmed Combat Regulatory Act regulates professional boxing matches and mixed martial arts contests. However, some contests, those that are sometimes called "Toughman contests," are exempt from the act if certain conditions are met. The matches are, generally, elimination matches between nonprofessionals who fight no more than three one-minute rounds. Contestants must pass physical exams and cannot exceed certain blood alcohol levels.

One of the conditions is that the contestants be insured by the promoter for all medical and hospital expenses to be paid to the contestants to cover injuries sustained in the contest. House Bill 4784 would amend that provision to also require that contestants be insured by the promoter for not less than \$50,000 to be paid in accordance with the statutes of descent and distribution of personal property if a contestant should die as a result of injuries sustained in the contest. (The italics represent the new language.) Neither the medical insurance nor the life insurance requirement could be waived by either party.

The bill would also add the following to the list of criteria for which exemption from the act applies:

- A promoter would have to register an event with the Department of Labor, Energy, and Economic Growth and pay an event registration fee of \$250. The event registration would allow a promoter to present a one- or two-day event. The registrant would have to allow the department to review promotional and advertising materials regarding the event. The department could summarily suspend the registration for a violation of any of the exemption criteria.
- A promoter could not allow a contestant to register for, or agree to participate in, a bout unless he or she did so at least 24 hours before the bout was scheduled. The contestant could rescind his or her registration or agreement to participate in a bout at any time before the bout is scheduled.
- A contestant who had been knocked off his or her feet a third time in a bout would have to be automatically rendered ineligible to continue the bout even if he or she had not been knocked out or suffered excessive blows to the head.

#### **BACKGROUND INFORMATION:**

Started by Art Dore, the first Toughman Contest was held in Bay City, Michigan in 1979. Not to be confused with mixed martial arts or kick boxing, Toughman contests are elimination contests in which contestants compete for cash prizes and/or trophies. Contestants are amateur boxers who wear 16 ounce boxing gloves and headgear, follow state safety regulations and standard boxing rules, and fight three one-minute rounds. About half of the states either ban or put restrictions on Toughman contests. In Michigan, the requirement for promoters to insure contestants for all medical and hospital expenses associated with a contestant's injuries has effectively stopped promoters from holding such events in the state.

Toughman contests are not without controversy. Though billed as having fewer injuries and deaths than professional boxing, Toughman contests have resulted in serious injuries and deaths, including a Florida mother of two who died in 2003 shortly after being knocked down in the third round. To date, at least eleven people have died from injuries sustained in Toughman contests.

#### **ARGUMENTS:**

#### For:

Currently, the Michigan Unarmed Combat Regulatory Act makes it illegal to hold Toughman contests in the state unless the promoter meets certain conditions, in which case the event is exempted from regulation under the act.

Toughman contests, in which amateur boxers have an opportunity to compete against other amateur boxers, are safer for contestants than events such as kick boxing, mixed martial arts, or professional boxing. However, some feel that additional steps should be taken that would put Toughman contests in line with professional boxing. For instance, promoters of professional boxing events must provide a life insurance policy with at least \$50,000 in death benefits. To be exempt from regulation under the act, the bill would require promoters of amateur Toughman contests to do the same.

In addition, the bill would ensure more state oversight of Toughman contests by requiring promoters to register with the state agency that regulates boxing and mixed martial arts contests. The benefit to citizens is that the Department of Energy, Labor, and Economic Growth would be aware of scheduled events in the state and so could review details of the events to determine whether the promoter was in compliance with the exemption criteria. Increasing compliance rates would increase safety to participants. A promoter who refused to comply, or was unable to do so, would have to cancel the event. The \$250 fee for a two-day event would help offset administrative costs.

The bill would strengthen safety criteria for contestants by requiring a contestant to sign up for a bout at least 24 hours before the bout was scheduled. This would eliminate the potential for a fan to get caught up in the excitement and decide on the spot to compete. This is an important protection because though Toughman contests are for amateurs,

most contestants undergo rigorous training regimens in the weeks or months prior to an event. Therefore, they are likely to be more physically prepared than a fan who, though he or she may also be in good physical condition, had not prepared to the same extent.

Further, even though participants wear headgear and 16-ounce gloves, blows to the head may still be powerful. Blows sufficient to knock a contestant off his or her feet, even if the person remains conscious, can be serious. The bill would address this concern by requiring elimination if a participant was knocked down three times in a single bout – even though he or she remained conscious.

### Response:

The bill as substituted does not address the primary concern of promoters. One of the exemption conditions is that promoters provide a hospital and medical insurance policy sufficient to cover <u>any</u> expenses for injuries a contestant sustains. There is no cap on the amount of coverage, neither is there a time limit. Promoters say that without a cap and a reasonable time limitation, insurers don't offer a product that will satisfy this condition. The insurance conundrum has effectively prevented the promotion of Toughman contests in the state of Michigan. The industry would like to see the requirement for insurance coverage be similar to what is in place for professional boxing contests, for example, require a policy that provides a minimum level of hospital and medical coverage of \$50,000. At a minimum, benefits should not be provided for a lifetime; for instance, promoters should not be liable for someone developing headaches 20 years after a bout.

Though the bill requires that promoters register an event with DELEG, some would like even more state involvement in the sport to increase safety for participants. According to industry members, some promoters would like state officials to be ringside at all events.

Further, industry members would like to see some type of sanctions for noncompliance, perhaps in the form of a fine. Without sanctions, nothing happens now, even if someone complains afterward that safety mandates in the exemption conditions were not followed.

## Against:

The mandatory elimination of a person after the third knockdown in a single bout does not go far enough. These are amateurs, who may or may not have trained sufficiently. They should be eliminated after the second knockdown, even if they maintained consciousness.

In addition, the exemption criteria should be expanded to require onsite medical assistance to be available, such as an ambulance staffed by paramedics. Again, the concern is that as amateurs, not all have trained adequately for the event like a professional would. A person, even if in good general condition, cannot stand up to someone who has spent weeks or months preparing for the bout. Plus, Toughman contests do not have weight categories like professional sports. It is not uncommon for the weight-spread between contestants to be 20, 30, 40 or more pounds. Though a physician is required to be present, he or she may not be trained in emergency medicine or have the equipment necessary to handle a medical emergency, let alone transport an injured participant in a timely manner to a hospital.

Regarding the issue of hospital and medical liability for contestants' injuries, again, these are not professional boxers; therefore, more generous insurance requirements are needed to ensure that an injured participant receives the medical care necessary to make the fullest recovery possible.

Lastly, the bill would require oversight by the DELEG that the agency does not have sufficient staffing to provide. The \$250 registration fee proposed by the bill would not be adequate to hire additional workers, and current staff simply cannot take on more duties.

# Against:

In essence, the current law creates an honor system whereby promoters are given the benefit of the doubt as to whether they are following the exemption criteria. The bill as written would do little to change the status quo. Therefore, spectators and participants alike may assume more state supervision is in place than is actually occurring. Some may equate the assumption of supervision with the safety of the sport. If the point of the bill is to increase safety for participants, then funding to DELEG must be sufficient to provide the level of investigation and supervision necessary to identify the good guys and weed out those promoters not complying with the exemption criteria.

#### **POSITIONS:**

AdoreAble Promotions, Inc. support the bill as reported from committee. (09-03-09)

The Department of Labor, Energy, and Economic Growth has no position on the bill at this time. (09-09-09)

Legislative Analyst: Susan Stutzky

Chris Couch

Fiscal Analyst: Mark Wolf

<sup>■</sup> This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.