

chapter eight
insurance



Organising the appropriate insurance for your event is essential. Attention to detail is of utmost importance when putting in place the cover that is required. In taking out insurance, the insurer/underwriter agrees to provide security against future loss, damage or liability in return for a non-refundable premium paid by the event.

A 'broker' will arrange insurance on your behalf. It is their job to find the best deal for you from the various appropriate underwriters in the marketplace. It is likely to be counter productive to ask a range of brokers to find you the best quote as each may present your case differently (bringing issues of misinterpretation) to the limited range of underwriters available. This tends to cause the underwriter frustration and concern.

- ▶ We recommend you select and build a relationship with an insurance broker that you think understands the events industry and your concerns in particular. This will ensure that you achieve the most relevant policy at the best price.
- ▶ Savings can be made when a standard policy is shaped to meet your actual needs – for example, a policy you already have may cover elements offered in the event policy or some of the standard policy exclusions may not apply to you.
- ▶ The more the broker (and hence the underwriter) understands about your event the more effective and affordable your policy is likely to be. Make contact with your broker well in advance of the event so that you can provide the kind of information required within the relevant timeframes.
- ▶ Aim to confirm your insurance around 2–3 months before the event and no later than a month before. A late approach tends to indicate poor management and (potentially) increased risk.

- ▶ Provide the broker with documents and information that communicate the professional nature of your organisation and the event – this approach could well mean savings on your premiums. Show the insurer that you understand your risk. If you do not supply detailed information the assessor is likely to base the quote on assumptions.

Here's a checklist outlining the kind of information that you should expect to submit:

- ▶ An outline of the nature of the event
- ▶ Period of insurance required (event build/live event/take-down)
- ▶ Experience of the organisers (include brief CVs of the key staff)
- ▶ The number of times the event has been held and the insurance claims record. If the event has made no insurance claims to date make sure you highlight this very clearly
- ▶ Event capacity and audience profile
- ▶ Health and Safety policy
- ▶ Emergency arrangements
- ▶ Liaison with the local authority and any joint agency health and safety sub-groups
- ▶ Information about any staff safety training and procedures
- ▶ Production schedule
- ▶ Risk assessments
- ▶ Method statements
- ▶ Details of subcontractors and their insurance
- ▶ Details of any work to be carried out at height (*i.e.* above 3m)
- ▶ Site plans
- ▶ Full list of attractions
- ▶ Details about any on-site accommodation (*i.e.* camp sites, etc)
- ▶ Information about any specialist contractors such as pyrotechnic companies
- ▶ A schedule of the event equipment that you need to insure
- ▶ A copy of any contracts that you have with funding partners, artists, competitors, sponsors, subcontractors, etc that feature insurance clauses (they all should). It may be that you, as Event Manager, have to indemnify other parties against loss, damage or liability, etc as well as yourself and the event. If the event is being funded in part or in whole by a public sector organisation it is likely that their contract with you will clearly state a level of public liability cover that must be in place. This figure will then be the minimum amount of cover you require.

When the broker has absorbed all the information they will be able to advise you on the recommended mix of insurance cover for the event, communicate your requirements to suitable underwriters and provide you the details of costs and cover available. The quotations you receive should clearly state what is covered, the underwriter's charge, what the broker is earning out of the deal and the Insurance Premium Tax (IPT). Remember to ask your broker for advice on the stability of the various underwriters as well as the likelihood of any claims to be paid – there's little point paying a low premium if the insurer has a bad pay-out record.

When you have accepted a quote and received your policies, read them carefully, making sure nothing has been omitted that you thought you were covered for. If anything changes after taking out the policy, you must notify your insurer immediately in order that they can update their records (this may involve a change to your premium).

Your policy is likely to include a range of cover including:

- ▶ **Public Liability** – this covers you against claims made by the public who attend the event. Premiums are based on many factors including the size and profile of the event, type of audience, etc. Levels of cover vary depending on your needs so it is imperative that you discuss your requirements fully with a broker. The level of cover usually required for events ranges from £2 million to £10 million.
- ▶ **Employers Liability** – if you have one, your existing office policy may cover you and your staff when you are in the office, but it may not cover you when on site during the build up/take down or the live event. It is also unlikely to cover occasional staff, crew and volunteers who work at the event. You may therefore either need to extend the existing cover to include additional personnel and time or take out another policy specific to the event. The level of cover and premium often depends on the number of staff, the payroll and duties.
Note: ensure that all freelance staff and contractors carry their own insurance and make this a condition of your contract with them.
- ▶ **Event Equipment & Property Cover** – when you hire equipment for an event it is likely that insurance is not included in the hire charge (always check this with suppliers). Some companies offer this service based on a percentage of the hire charge, which

you can opt to take. If this service is not offered or if you choose not to take the cover with them, it is imperative you insure any hired equipment from the moment you take delivery until it is collected after the event. Also, don't assume that any equipment you take from your office to the event site is covered by your office policy. You'll need to provide a schedule of all the equipment in question and its replacement value to your broker. It's a good idea to start compiling this list from the point that you start ordering hired equipment. The premium tends to be a percentage of the total figure. Check the excess on the policy as the replacement cost of some items covered may be less than the policy excess.

- ▶ **Cancellation & Abandonment Insurance** – just like it says, this covers you for cancellation or abandonment of the event due to situations beyond your control such as flooding, inclement weather, postponement, etc. Levels of cover will depend on your particular requirements and the level of risk. Check the policy carefully for exclusions. This insurance can be very costly but it's necessary for many events, particularly those with an entry ticket charge. If you decide not to take out this cover, make sure you have a contingency plan in place should your event be cancelled.

You will need all or a combination of the above for event insurance purposes. In addition, other policies may be required such as **Professional Indemnity** or **Directors Liability**. Make sure you consider all your options carefully, check what is expected in terms of insurance by all funding partners and seek legal advice if you are unsure.

Claims Management

Claims can be made up to three years after an incident takes place. To ensure that you are able to successfully manage any insurance claims or defend any illegitimate claims, make sure that you put a process in place to record all incidents:

- ▶ Ensure that you keep an incident book and that all staff are aware how incidents should be reported and managed
- ▶ In the event of an incident, gather key information (hard evidence) such as photographs; witness statements and contacts; details describing any equipment involved and the activity being undertaken at the time of the incident; details of any damage to property or persons; documentation relating to the injured person

such as registration forms; a statement of any medical treatment offered/accepted/refused; contact details for the injured person, etc

- ▶ Notify your insurance broker as soon as possible after an incident if you think a claim might arise
- ▶ Copy any letters of claim to your broker immediately and allow them to deal with the claim

