



by J.D. Linn

# Why Do I Need That?!

By necessity, most event directors quickly become familiar with the commercial general liability policy. This is the main policy that protects your event from accidents like a festival attendee tripping over a curb and sustaining an injury. This is also the policy that is required by cities to get permits, and landlords to rent their grounds.

There is a lot more to understanding a general liability policy than that, and general liability coverage can vary drastically from one carrier to the next, but that's an entirely different article in itself. Other main types of coverage are buildings and contents, and business auto. Any festival that own property or automobiles are probably acquainted with these as well. Beyond these, there are many other types of coverage that festivals can utilize to better protect their financial well-being. Following is a brief outline of the most common ancillary lines of insurance...

## Directors' and Officers' Liability (D&O insurance)

- **What is it?** - This is an extremely important coverage that protects the directors, officers, and organizations from claims that arise from the decisions they make. Unlike general liability policies, directors' and officers' liability policies don't cover claims arising directly from bodily injury or property damage. They cover claims arising from someone being upset or offended by a decision the board has made. Another aspect of D&O insurance is employment practices liability. This covers claims arising from your employees. For instance, if an employee felt like he/she was wrongfully terminated or discriminated against, and sued the board in return, this policy would provide coverage.
- **Do you need it?** - All festivals should consider carrying this coverage.

## Inland Marine Insurance (Equipment Floater)

- **What is it?** - This is a type of property insurance that covers goods or equip-

ment that is in transit, or is typically moved around. It can be used to cover owned equipment that is moved to the festival site during the event as well as equipment you rent or borrow for your festival (i.e. generators, tents, staging etc.)

- **Do you need it?** - Any festival that has owned, rented or borrowed equipment that is moved to the festival grounds during the event (which is almost every festival) should look into this coverage. A common misconception is that if a piece of equipment is insured as contents of a building on a property policy, it is also covered when it is moved to an event site. It's usually not.
- **Why is it called inland marine?** - Insurance originally began as a means for merchants to protect their investments in goods they were shipping overseas. They called this marine insurance. As the transportation of goods over land became more prominent, there arose a need to insure these products as well. They subsequently called this type of insurance inland marine... Enjoy impressing your friends with that sexy piece of information!

## Participant Accident Insurance

- **What is it?** - This provides a stated amount of accident/medical coverage for the participants of a specific activity or event. If a participant of an athletic activity gets injured, this coverage can cover high deductibles on their personal insurance policy, act as secondary insurance should that individual's personal insurance get extinguished, or provide some cover-

age should that individual not carry personal health insurance.

- **Do you need it?** - While this is an optional coverage, anyone who produces a 5K or similar athletic event should consider this coverage for the participants.

## Volunteer Accident Insurance

- **What is it?** - This coverage is similar to participant accident coverage, but instead of covering the participant of a specific event, it provides coverage for your active volunteers.
- **Do you need it?** - Again, this is an optional coverage, but if you have a lot of volunteers, it's a nice coverage to provide them.

Some other types of insurance that have proven useful for festivals include; non-owned and hired auto, event cancellation, prize indemnification, pollution, crime, electronic data processing, and user's liability. Unfortunately, all of these could not be covered in detail here. I strongly encourage you to discuss these with your current agent to ensure your festival has all of the coverage it needs.

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