



# Get Covered

## Five reasons you need special event insurance

By Tokio Marine HCC

Imagine if someone at a borough event had an accident. Is your borough covered?

When most people think about insurance policies, they think of them in traditional varieties of car insurance or homeowners' insurance. However, event organizers and vendors should protect their events – parades and festivals, for example – with special event insurance.

Whether it's an indoor or outdoor event or a passive or interactive experience, some things are out of your control. There are a variety of unique risks that can be present during any event, including bodily injury to event participants and spectators or property damage at the venue.

Sometimes general liability policies will be enough, but often times the policy will exclude these special event activities. Special event insurance is a specially tailored insurance policy that provides general liability that covers and protects the event planner, organizer, and/or vendor.

Below are five reasons why purchasing special event insurance for your event is money well spent to protect your borough.

### Accidents Happen

How many times have you heard an event organizer share horror stories about mishaps at their events? The frequency or severity of the accident typically depends on the event type, but no matter how well one prepares, accidents do happen. A minor slip and fall may be on one end of the spectrum while a stage collapse at a concert would be on the other.

When planning for the worst, it's impossible to protect against the many risks event organizers face. For example, below is a claim situation that certainly did not come to mind for the particular event organizer.

At a road race, a third-party was contracted to put up and take down the scaffolding that was erected at the finish line. While a runner was crossing the finish line, the scaffolding was caught in a breeze and a portion of it fell over striking the runner in the head and landing on her leg.

The contractor was uninsured and the insurance company was not able to tender the claim to him. The insured – the coordinator of the event – was on the hook here.

While the third-party could be brought into the litigation, if he

does not have any measurable assets, any judgment against him is useless and the plaintiff attorney would argue that the coordinator was negligent in hiring a contractor who was not insured. Therefore, the coordinator would be responsible.

### Damage to Property and Premises

Whether you are renting out a venue or hosting an event on private property, the risk of damage to the premises exists. Events with many attendees only raise the stakes of property damage.

Special event insurance provides general liability, which in return protects all parties involved, including the planner, venue, or vendors, for losses due to property damage caused by the insured's employees or agents. Property damage examples might seem obvious, but below is a bizarre claim situation.

At a New Year's Eve party, which was being held at a banquet hall, the event organizer provided confetti to guests to throw at midnight. Once the event ended, there were liquids on the floor that mixed with the colored confetti and left a dye on the

hardwood floors. The cleaning crew was unable to get the stains off the floors, therefore leaving permanent damage. The venue sued the event organizer for negligence.

From a venue or facility owners' side, insurance is also vital. Tenant user liability insurance policies (TULIP) are a simple solution for venues to set up annual policies covering third-party liability for their lessees when holding events. The coverage provides the proper insurance for the lessee based on the venue or facility's requirements and therefore holds the venue or facility harmless should an incident occur during the event.

## Alcohol

Any event that plans on selling, serving, or assisting in the purchase of liquor opens its doors for a liability claim as a consequence of someone getting intoxicated to the extent that injuries or property damages are the result. Host liquor or liquor liability is essential, as it provides coverage for potential claims that may arise out of serving alcohol at an event. If there is any money changing hands and alcohol is served, liquor liability coverage provides the proper protection needed by event holders and vendors alike.

## Unpredictable Weather

Organizing any event like a parade or street festival takes hours of planning and preparation. However, unexpected situations

can arise with even the most meticulously planned events. As we shift our attention to warmer days, we look forward to an increase in seasonal activities and events. However, it is important to keep in mind the unpredictable weather patterns the coming months often bring.

Adverse weather can devastate any event under the proper circumstances, but special event insurance is the only way to insure that damage done by the storm doesn't also damage your wallet.

## You Break It, You Buy It

When a person needs a party tent for a concert, for example, often it is rented. When this is the case, the event organizer needs additional coverage known as inland

marine coverage, which provides coverage for the replacement value of rented equipment by the insured if damage were to occur while under the insured's control.

There are risks regarding the rental equipment in two areas: the equipment can be lost or damaged while in the possession of the organizer, or in the possession of a customer, or the equipment can cause bodily injury or property damage. Both risks can be protected with inland marine coverage.

In addition to the liability, there are other options to consider when planning an event.

Event Cancellation is a contingency insurance coverage

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designed to protect event expenses or revenue against cancellation or abandonment caused by reasons beyond the control of the event organizer.

**Event Weather Insurance** is another option to consider as it protects against adverse weather conditions that can reduce attendance and negatively affect event revenue. It is designed to offset not only the revenue lost due to reduced attendance but other revenue sources such as concessions, food, and parking. It can cover perils such as rain, snow, wind, and temperature.

Weather insurance can also be used to stabilize income for businesses such as restaurants or pay-for-play golf courses that rely on good weather on weekends and holidays. It can also be used to contain costs for businesses such as condo associations or private hospitals/school that pay for their own snow removal costs.

No matter the size of your event or how well you prepared, you never know when the event mishap horror story becomes your own. In a litigious world, there

is no claim that is too small that could put a person out of business if they are not properly protected. Special event insurance is a great way to inexpensively and effectively manage these risks and the proper coverage can make the difference between a minor bump in the road and a complete detour.

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*Keystone is ranked number two on Insurance Journal's 2016 list of Top 20 Privately-Held Property/Casualty Agency Partnerships. For more information, email [programs@keystoneinsgrp.com](mailto:programs@keystoneinsgrp.com). Keystone provides Special Events Insurance through its carrier partner, Tokio Marine HCC.*

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