



# Prize Indemnity Insurance



**TOKIOMARINE**  
**HCC**

[tmhcc.com](http://tmhcc.com)



## Help Clients Promote and Protect their Business

One of the great ways to attract new customers, create brand loyalty, and generate positive media coverage is through an insured promotion. Such competitions can surely be won by the lucky customer, thereby introducing an element of financial risk.

Our Prize Indemnity insurance allows businesses to offer their clients high value prizes for a fraction of the retail cost. In the event of a winner, we provide companies with the peace of mind that the prize will be honored without impacting their balance sheet. Your brand will benefit from the associated publicity, with the knowledge that behind the scenes, we are carrying the financial risk.

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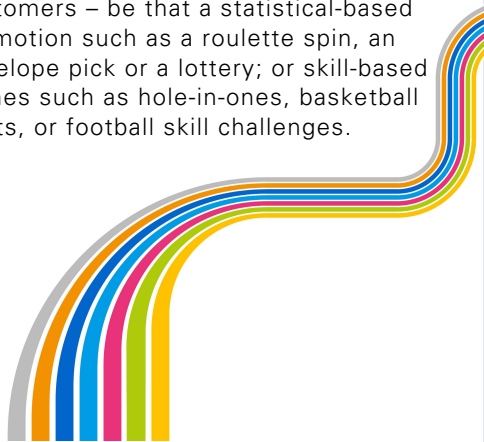
### Unique Perspective

Our Prize Indemnity team has extensive market knowledge and offers products specifically designed to match your promotion. We understand that where Prize Indemnity is concerned, one size certainly does not fit all. Our comprehensive promotional insurance portfolio and decades of insuring thousands of promotions and games make TMHCC the right choice for all types of clients and promotional events.

TMHCC can help you with the design and implementation of the promotion to make it unique, budget-friendly, and highly engaging with a proven success rate. Creativity in product types and flexibility in pricing helps to make sure the promotion is both appealing and affordable.

### What is Covered?

Our Prize Indemnity insurance offers protection against your contractual liability to award a prize to your customers – be that a statistical-based promotion such as a roulette spin, an envelope pick or a lottery; or skill-based games such as hole-in-ones, basketball shots, or football skill challenges.



# Our Promotional Products



## Weather-Contingent Promotions

Considerable experience with many types of retail operations has shown that weather-related promotions successfully boost promotional efforts and sales.

Inspire your customers to buy now, by offering a refund on purchases made during a promotional sales period if a certain weather event occurs during a predetermined time period.

### Examples

- A jewelry store wanting to increase sales in the month leading up to Christmas agrees to pay customers a full refund on their purchases if it snows 1 inch on New Year's Day.
- A retailer offers a 50% refund on all refrigerators and freezers purchased in May if there are 4 consecutive days in July or August on which temperatures hit 100°F or more at their local airport.
- A furniture store offers a special Christmas promotion. If it snows 6" on Christmas Eve at an agreed location, then all customers who purchased furniture between the 1st -10th of December receive a partial refund.
- To boost holiday bookings, a travel agent offers a lump sum refund if there is more than 2 inches of rain or if temperatures hit 100°F on a set date at various popular holiday destinations across the country.



## Statistical / Chance:

Cash prizes tied to the following concepts can attract consumers to a sponsor's website, sporting event, retail store or other sponsor location.

- Number matches
- Envelope picks
- Scratch cards
- Lotteries
- Dice rolls
- Wheel spins
- Casino games
- Safe cracks
- Sports feats or outcomes

Probability games can be designed to fit nearly any budget and self-insured prizes can be seeded throughout the promotion to create more excitement.





### Skill and Sport-Based Games:

Skill-based promotions, such as hole-in-one competitions, usually take place at sporting events or fundraisers to increase attendance and add a new dimension of engagement.

We have experience in insuring hundreds of promotional risks, which has given us the know-how to identify which promotions can fit within your premium budget.

Insurance can therefore be taken out for such games of skill or chance, making your event fantastically exciting for participants and spectators.

For example, a hole-in-one competition allows amateur golfers the chance to win big prizes, should they make a hole-in-one on one of the designated holes. Such cover can also cater to more than one winner and include bonus prizes. It's a great way to grab the headlines while letting go of the risk!

#### Examples

- A hole-in-one contest at a golf tournament
- Half-court shots by a randomly selected contestant at halftime
- Ice-hockey puck shooting prizes

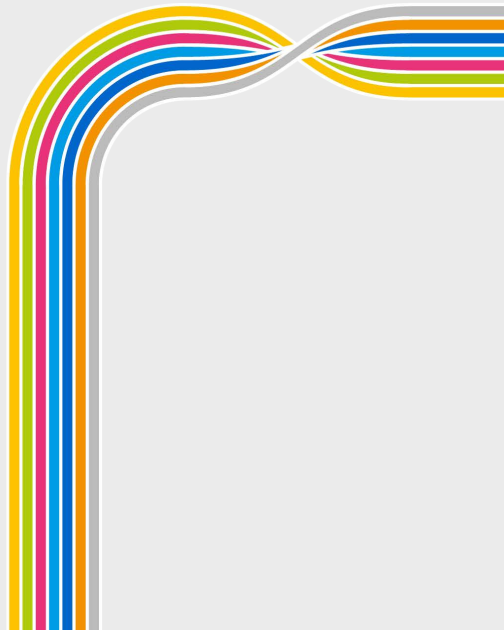


### Predictors and Result-Based Games

Offer customers prizes if they can guess the result or score of one or more sporting events.

#### Examples

- Guessing a combination of scores or results at a sports tournament
- Predicting the final rounds and results of major tournaments
- If x team wins a major tournament
- If x team scores x amount of goals





Our Claims Service:

We have a dedicated and highly experienced claims team plus a global network of loss adjusters to help oversee a fair competition. We pride ourselves on being approachable, fair and efficient, assessing your claim with competency and urgency. We believe that our market-leading claims service sets us apart and makes a real and lasting difference to our policyholders and their client.

In summary, when you offer promotional insurance from TMHCC, your clients benefit from:

Products backed by **Insurance carriers**  
(not just a prize contract)

**New customers,**  
increased brand  
loyalty and positive  
media coverage

**Highly experienced and creative** underwriting team that understands integrated business marketing and the value of prize competitions and associated promotions

Fast, efficient and approachable in-house **claims services**



\*Figures as of 3/31/2025

# Other Promotion-Oriented Insurance Products

## Over-Redemption Insurance

Sometimes a coupon or free product offer can be “too successful.” Insurance from Specialty Group can protect sponsors / marketers that distribute “buy-one, get-one-free” or multi-purchase benefit coupons against an unexpected high redemption of coupons.

## Contractual Bonus Insurance

Purchased mostly by corporate sponsors, this policy reduces the risk associated with providing a professional athlete an additional financial incentive in his or her contract to achieve a certain result.

*Example: a professional golfer could earn an extra \$500,000 for every major championship that he or she wins, in which case the risk of the additional \$500,000 would be transferred to an insurance policy.*

## Promotion Sweepstakes Bonds

Also known as game-of-chance surety bonds, promotion sweepstakes bonds are required in Florida and New York for any game-of-chance promotion with a retail value over \$5,000. The promotion must be bonded and registered with their office. Rhode Island requires only a registration for any retail promotion over \$500. No other states require these promotions to be bonded. Specialty Group can streamline this entire process through our online **Insta-Bond™ system (instabond.com)**.

## Contact Us

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A member of the Tokio Marine HCC group of companies

## About Specialty Group

Specialty Group, a member of Tokio Marine HCC, is the leading provider of specialized insurance products for the sports and entertainment industries. We provide an unmatched portfolio of products including, but not limited to, event cancellation, high limit disability, kidnap and ransom, weather, travel and event liability. We cover major sports and entertainment events, professional athletes and entertainers and other unique assets.

## Why Tokio Marine

Tokio Marine HCC is a leading specialty insurance group underwriting more than 100 classes of specialty insurance in approximately 180 countries. Headquartered in Houston, Texas, the company is made up of highly entrepreneurial teams equipped to underwrite special situations, companies and individuals. Tokio Marine HCC (TMHCC) is part of Tokio Marine Group, one of the world's leading insurance companies with a market cap of \$38 billion\*.

\*As at 3/31/23