

# Insurance Terms & Definitions

This informal dictionary is for reference purposes only and no coverage should be bound based on these definitions. For actual terms and conditions, call your broker or refer to your policy.

## **A**

**AD&D Coverage** Accidental Death and Dismemberment (also known as AD&D) is a policy that pays benefits to the beneficiary if the cause of death is due to an accident.

**Aircraft Insurance** Required when a plane or helicopter is rented, leased, or borrowed for use as a picture drone, plane, to scout locations, or for aerial photography. Hull coverage may also be required if the production company is responsible for physical damage to the aircraft itself.

**Auto Coverage (owned/rented)** Legal liability coverage for bodily injury or property damage claims arising out of the filming of the picture. Coverage may include the use of owned or non-owned vehicles, including physical damage to the vehicles. Coverage is required prior to filming on city or state roadways, or location sites requiring filming permits. Coverage does not apply to aircraft or watercraft, which must be separately insured. **Auto Liability** Covers the medical & legal bills arising from an auto accident, including damage to vehicles owned by others. Coverage is for hired & non-owned vehicles only. The policy will be excess coverage for any crew members using their own vehicles. **Auto Physical Damage** Covers any damage done to vehicles used for the production. Coverage is for hired & non-owned vehicles only. The policy will be excess coverage for any crew members using their own vehicles.

## **C**

**Cast Extra Expense Insurance** This coverage usually is purchased on feature films or TV productions (except documentaries) but also may be purchased for other types of production. It indemnifies the production company for the net loss or extra expenses to begin or complete principal photography of an insured production, due to death, injury or illness of any insured artist or director. Insured persons are initially covered for accident only, until they are examined and complete a medical questionnaire. The insurer then will expand the coverage to include illness. Coverage also can be extended to include kidnapping and bereavement. (See bereavement above).

Cast insurance normally begins four weeks before the first camera day; however, additional time can be purchased (Extended Pre-Production Cast Coverage).

**Crime Coverage** Reimburses the production company for loss of money, securities, or inventory resulting from crime such as employee dishonesty, embezzlement, forgery, robbery, safe burglary, computer fraud, wire transfer fraud, counterfeiting and other criminal acts.

**Cyber Coverage** Cyber insurance is an insurance product designed to help businesses hedge against the potentially devastating effects of cybercrimes such as malware, ransomware, distributed denial-of-service (DDoS) attacks, or any other method used to compromise a network and sensitive data. Also referred to as cyber risk insurance or cybersecurity insurance, these products are personalized to help a company mitigate specific risks.

## **D**

**Disability Insurance** Insurance policy that pays disability benefit as a partial replacement of income lost due to illness or injury. Most disability insurance policies pay a fixed sum for a fixed period, while others pay a monthly sum for the entire period the insured is disabled from earning suitable income (as determined by his or her qualifications, experience, and training ).

## E

**Errors & Omissions** Legal liability coverage, including defense costs, for claims alleging unauthorized use of titles, format, ideas, characters and plots; plagiarism and unfair competition. Also provides coverage for libel, slander, defamation of character or invasion of privacy.

**Employment Practices Liability** Provides defense and indemnity insurance for claims arising from the employer/employee relationship. The policy shields employers from claims of harassment, discrimination, failure to hire, wrongful termination, and includes all current, former and prospective employees, directors and officers, even the corporate entity.

## F

**Foreign Liability** Covers Bodily Injury and Property Damage liability arising out of accidents and fortuitous occurrences outside the United States of America and Canada. Optional coverage can also include Foreign Workers Compensation and Foreign Employer's Liability.

## G

**General Liability** General Liability covers payments the insured will become legally obligated to pay as a result of Bodily Injury or Property Damage to 3rd parties arising out of an occurrence during filming activities. An example of a covered loss under Bodily Injury could be third party "trip and fall" accidents (people hired by you are not covered under general liability. Workers compensation covers potential injury to people hired by you). Property damage for rented premises under the general liability section is limited to major structural damages. Third Party Property Damage is the recommended coverage for the rented premises.

**Guild Travel Accident** Travel accident coverage with limits required by the guild or union contacts with the producer. Coverage also may be extended to non-union employees, up to \$50,000 each.

## H

**Hazardous Activities, Stunts** Activities that may be considered as potentially hazardous / stunt activities are required to be reported to the underwriters for approval. A partial list of these activities are: Stunts, Falls, Fight Scenes, Pyrotechnics, Fireworks, Airplanes, Helicopters, Hanggliders, Hot Air Balloons, Parachutes, Boats, Water Scenes, Animals, ATVs, Go Carts, Mopeds, Motorcycles, Scooters, Segways, Snowmobiles, Weapons, Blanks, Squibs, Precision Driving, Live Gangster Rap Music, Hard-Core/Soft-Core Porn.

Additional Description:

-Aerial Scenes (Shoots from aircraft including airplanes, helicopters, gliders and balloons. Includes scenic shots from private or commercial aircraft that do not involve aerial acrobatics or other hazardous maneuvers. Does not include aircraft liability.)

-Stunts/Falls (Covers scenes involving scripted and choreographed falls), Fight Scenes (Fight scenes that are choreographed, structured, and sequenced. These scenes may involve physical contact between actors and the use of weapons)

-Recreational Vehicles (The use of recreational vehicles such as ATV's, go carts, mopeds, motorcycles, scooters, segways, snowmobiles, and similar type vehicles)

-Water Scenes (Boats, canoes, kayaks, shots on lakes, shoots primarily in water, surfing, pools) Does not provide watercraft coverage. See the movie boat program.

-Precision Driving (Controlled driving on public roads, race tracks, off-road, chase scenes, skidding, collisions, explosions, motorcycles) Weapons (Scenes that involve prop guns\*, squibs, blanks, knives, or other similar weapons)

\*Guns that discharge other than squibs or blanks. Note that guns unable to fire are not considered stunt activities. Animals (Scenes involving the use of animals, such as dogs, farm animals, household pets, and zoo animals)

-Pyrotechnics (Fireworks, flash boxes, demolition, explosions, and other pyrotechnic effects)

## I

**Inland Marine** Inland Marine is a type of insurance policy that offers various lines of property coverage. Some of the coverages available on this policy are: Rented Equipment, Owned Equipment, Rented Props/Sets/Wardrobe.

## K

**Kidnap & Ransom** Coverage for payments demanded by kidnappers for the release of an insured. Most insurance policies have a deductible and exclude abductions within certain geographic areas.

## P

**Production Package** The standard policy that covers all property and business interruption expenses/extra expenses on all types of productions. Some of the coverages available on this policy are: Rented Equipment, Owned Equipment, Rented Props/Sets/Wardrobe, Faulty Stock, Third Party Property Damage, Hired & Non-Owned Auto Physical Damage, etc.

## R

**Railroad Protective** Coverage for claims that arise from the production at or near railroads. Coverage includes Bodily Injury Liability, Property Damage Liability and Physical Damage to railroad property.

## U

**Umbrella** A policy designed to provide protection against catastrophic losses. It generally is written in addition to various primary liability policies, such as the business auto policy, commercial general liability policy, watercraft and aircraft liability policies, and employers' liability coverage. The umbrella policy serves three purposes: a) it provides excess limits when the

limits of underlying liability policies are exhausted by the payment of claims; b) it picks up where the underlying policy stops when the aggregate limit of the underlying policy is exhausted by the payment of claims; c) it provides protection against some claims not covered by the underlying policies after the retention.

## **W**

**Watercraft (non-owned) Liability** Required when a boat is rented, leased or borrowed for use as a picture boat, chase boat or camera boat. Hull Coverage may also be required if the production company is responsible for physical damage to the craft itself. **Protection & Indemnity** This coverage protects the insured against 1) liability for specified types of Bodily Injury or Property Damage and 2) certain unexpected vessel related exposures and disbursements. The principal liabilities that are covered are:

- Loss of life, personal injury and sickness of the vessel crew, production crew and third parties;
- Damage to cargo on board the vessel;
- Damage to piers, docks, jetties, and other fixed objects;
- Damage to other vessels and their cargo caused otherwise than by collision with the other vessel;
- Inadvertently incurred fines and penalties because port rules were violated;
- Expenses incurred when the law requires that a wrecked vessel be removed; and
- Limited pollution liability coverage for vessels under 100 gross tons. (Fines are excluded from coverage).

**Weather Insurance** Provides coverage for extra expense incurred by the interruption or abandonment of the production due to adverse weather conditions at the location that which reasonably and necessarily prevents filming or taping.

**Workers' Compensation** This coverage is required by state law for all temporary or permanent cast or production crew members. The policy provides medical, disability or death benefits to any cast or crew member who becomes ill or who is injured in the course of employment. Independent contractors or subcontractors are usually considered as employees for Workers' Compensation purposes. Failure to carry this insurance can result in paying benefits plus penalties. Even though a payroll service is the employer of record, the production entity must have its own Workers' Compensation policy.

**Wrap Up** An insurance program put together for advertising agencies that hire production companies to shoot commercials for their clients and for record label companies that produce music videos. The production company, post-production company and all other entities or individuals involved in the production are covered by the wrap up. Since this includes contractors or subcontractors, their bids should not include insurance costs. A wrap up program includes general liability, a production package, errors and omissions, auto liability, property damage, an umbrella and possibly travel accident, non-owned water and air craft and approved stunts. A wrap up reduces insurance costs, provides broader coverage and simplifies insurance administration.