

Workers Compensation and General Liability Information

Provided by Taylor + Taylor

As you will quickly learn, you will not be able to employ crew, rent equipment or secure a location without insurance. Since there are many types of insurance available, this handout will give you some of the basic jargon used in the business so you will be better equipped to understand what is being asked of you.

In order to employ freelancers/crew in any state you must provide worker's compensation insurance should your crew member get injured in the course of your project.

Worker's compensation provides coverage for medical services needed to treat work related injury or illness, disability income to help replace lost wages and/or a death benefit should a crew member be injured or killed in the course of their employment. Many people will think of crew as freelance people or independent contractors rather than as employees and it is a common mistake to elect not to purchase worker's compensation to protect these individuals.

Next you will find that you will not be able to rent any film, video or lighting and grip equipment unless you have miscellaneous equipment and liability insurance. There will be few, if any, equipment rental companies that would be willing to rent you equipment worth in excess of \$1,000,000 unless you show them that you have insured their property against damage or loss while in your possession. Furthermore, since the rental equipment house will have no idea how you are going to use their gear, they will require that you maintain at least \$1,000,000 in commercial general liability insurance and that you share that limit with them by naming their rental equipment company as an "Additional Insured" on your policy.

Miscellaneous Equipment is a property insurance policy that usually will cover breakage if you drop the item or it gets damaged in transit. Furthermore, miscellaneous equipment will normally cover rented equipment wherever that property happens to be used. One of the most common types of claims is theft from unattended vehicles so it is very important that you not leave this valuable property in an unattended vehicle and it is especially important to make certain that the insurance you buy provides protection against this type of loss. It is also important to note that the miscellaneous equipment limit will apply to the value of equipment you rent from all sources, so you must make certain that the coverage limit you purchase will adequately cover the total replacement cost of all equipment you have rented. Your equipment rental vendor will also require that you name their company as a "Loss Payee" on your miscellaneous coverage. The "Loss Payee" wording ensures that when a claim is adjusted by your insurance carrier, the loss proceeds are paid in the name of either the equipment rental company or to both your company and the rental company. The ultimate goal of the use of "Loss Payee" wording is to make certain that the equipment rental company or equipment owner receives the loss proceeds that have been released by the insurance company for repair or replacement of their damaged equipment.

Commercial General Liability policy covers bodily injury and property damage claims brought against your company by third parties arising from production related activities. When someone asks to have their company added as an "Additional Insured" on your liability policy they are asking that your insurance carrier extend your coverage and policy limit to apply to both your company and them for claims arising from your production activities. It is customary for an equipment rental company, an advertising agency/client or a location to request that they be named as an additional insured on your policy. These people want you to

protect them should they be brought into a liability claim that is the result of something that occurred during production and that was not their fault.

Some of the important exclusions in the commercial general liability policy are listed below, as well as the corresponding types of coverage that you should consider purchasing:

EXCLUSION

1. Injury to Crew or Employees
2. Use of Automobile, Aircraft or Watercraft
3. Property In Your Care, Custody or Control
4. Intellectual Property Rights Infringement
5. Claims Occurring or Brought Outside of the United States and Canada
6. Wrongful Termination, Sexual Harassment
7. Pollution

COVERAGE TO CONSIDER

1. Worker's Compensation
2. Non-owned Automobile, Aviation or Watercraft Liability (Owned if Owned Automobiles, Aircraft or Watercraft are used)
3. Miscellaneous Equipment Props, Sets and Wardrobe Physical Damage to Rented & Owned Vehicle(s), Aircraft, Watercraft, Third Party Property Damage, Negative Drives or Videotape, Your Office Contents or Film, Hard, Improvements or Betterments
4. Errors and Omissions Liability
5. Foreign Liability
6. Employment Practices Liability
7. Pollution Liability

I hope that this handout has provided you with a better understanding of some of the basic terminology used in the entertainment insurance industry and personally wish you much success with your project.