

Insurance Tips for Short Term Film Production

FAQS

Why do I need insurance coverage?

If you're being required to carry it, or just want peace of mind. Equipment rental companies, municipalities or other permitting agencies, state law, investors, and landlords often require filmmakers to have insurance.

What kind of insurance do I need?

It depends on who's requiring the insurance.

Here are the types of insurance frequently purchased by filmmakers:

GENERAL LIABILITY INSURANCE: Also known as "GL" coverage, this protects the policyholder if a third party (like an injured bystander) makes a claim against them. The standard limits on these policies is \$1,000,000 per occurrence with a policy aggregate (i.e., maximum, regardless of the number of claims) limit of \$2,000,000.

INLAND MARINE INSURANCE: Also know as "equipment floaters" or "equipment cover" or "property cover", this insurance covers only the property insured for damage to, or theft of, that property. Equipment rental houses typically require filmmakers to buy equipment coverage that protects the rental house's equipment. This is "rented equipment coverage." Filmmakers can also buy equipment coverage for their own equipment, or "owned equipment coverage." The amount of the insurance (aka the limits) is the total value of the equipment.

WORKERS COMPENSATION INSURANCE: Most states' laws require employees to have workers compensation coverage, even if they are only an employee for a day. SAG rules require it for actors working under SAG contracts. For short-term films, filmmakers often use the services of payroll companies who provide workers compensation insurance along with payroll services.

AUTO INSURANCE: This is commercial automobile coverage, also known as "non-owned and hired auto" ("NOHA") coverage, and it's different than personal auto coverage one has for their own car. A person's personal automobile insurance often has limitations (aka exclusions) on the use of the car for business purposes. So do the terms and conditions on car rental company contracts. That's where commercial auto coverage comes in. If a filmmaker is renting a van to carry around their team or their equipment, then they will likely need some kind of commercial auto coverage.

EXCESS OR UMBRELLA INSURANCE: If higher auto or GL limits are required, extra limits on top of the primary limits can be purchased. For example, it's not uncommon to buy a \$1,000,000 excess policy over a \$1,000,000 GL policy, to total \$2,000,000 per occurrence limits.

What's a "certificate of insurance"?

Once you have a policy in effect, your insurance broker can create a "certificate of insurance" also known as an "Acord 25". This standard form document showing basic details about the policy, such as the limits, policy term, and policy number. They are not official documents and they are not the same as a "binder" or a "declarations page" or a policy.

Certificates of insurance are often required by equipment rental houses, or anyone else who is requiring the filmmaker to have insurance. Equipment rental houses often require to be named as a "loss payee" on a certificate of insurance. Property owners requiring you to get them a certificate of insurance often require they be named as an "additional insured" on the certificate.

What does "loss payee" mean?

If an equipment rental house is a "loss payee" under a policy, then they're paid directly for damage to their equipment if a claim occurs. This is used on equipment floater/property policies.

Pro Tip: If someone requires that they be named a loss payee on a policy, then it's critical that the insurance company be informed of this *before* the policy is bound. Most insurance policies do not automatically have loss payee provisions in them. If the loss payee is not specifically named in the policy, then the Acord certificate of insurance listing them as a loss payee is not worth the paper it's written on.

What does "additional insured" mean?

Building or venue owners often require to be added as an "additional insured" on general liability policies. In short, it means that if there's a claim, the additional insured will be protected under the general liability policy in addition to the policy's purchaser.

How do I save money?

Insurance premiums for films are based mostly on the number of days of shooting. The fewer days, the cheaper the premium. Anything with stunts (fights, drones, squibs, moving vehicles) will cost much more...if you're able to get coverage at all. Unsurprisingly, the higher the values of the equipment that you're insuring, the more it will cost.

But I want to shoot stunts!

Figure out a way to rewrite the screenplay to avoid the stunt completely. Get creative! You never saw the knife hit Janet Leigh in *Psycho*, right?

INFO YOU'LL NEED TO APPLY FOR BASIC FILM PRODUCTION INSURANCE

[i.e., things to have ready before you contact an insurance broker.]

Contact Info

- 1) Name (Exact legal name of entity, such as the name of the LLC production company or an individual's name)
- 2) Address (must be physical address—no P.O. Box), City, State, Zip code
- 3) Role of the person applying for the insurance (e.g., Exec Producer, Producer, Director, Production Manager, etc.)
- 4) Contact phone number
- 5) Often, a driver's license or ID is required.

Insurance History for the Entity

- 6) Any insurance declined or cancelled in the past 3 years? Yes/No
- 7) Any claims/losses in the past 3 years? Yes/No
- 8) Any prior insurance coverage? Yes/No
- 9) If yes, details of the prior insurance insurer (dates, insurer, policy number).

Production Details:

- 10) Title
- 11) Total Budget
- 12) Exact Production Dates
- 13) Filming Location (all states and countries)
- 14) Address of primary filming location (including venue name, if any)
- 15) Synopsis

Stunts:

- 16) Will the production include any of the following? (be ready to provide details)
 - a. Stunts,
 - b. Pyrotechnics, Fireworks,
 - c. Aircraft
 - d. Boats
 - e. Animals
 - f. Race Tracks
 - g. Race Courses
 - h. Helicopters
 - i. Motorbikes
 - j. Snowmobiles

- k. Blanks, Squibs, Firearms, Archery,
- l. Hard-core or soft-core pornography
- m. Live gangster rap music
- n. Work at open or unprotected heights >15ft off the ground
- o. Drones
- p. Filming in bar or nightclub
- q. Will any temporary structures be installed or built for the filming?

Other Details:

- 17) Maximum number of people on set at once
- 18) Total number of people involved in production who will be on site over the requested policy period
- 19) Will security be hired? (Y/N) If no, then why not (is it a private venue)?

FURTHER NOTES

General Liability:

- What limits (Occurrence Limit? Policy Aggregate Limit?): \$1,000,000/\$2,000,000 is typical
- Are Certificates of insurance needed? If so, get the exact names and addresses of those demanding the certificates, as well as their relationship to the production (i.e., rental house or location).
- Is Waiver of Subrogation or being named a Loss Payee required by anyone?

Equipment coverage:

Type 1: Inland Marine policy for **Rented Equipment** (i.e., movable property, equipment)

- Are there any particularly high value items (like a \$20,000 camera body--might have to specifically described)?
- Most insurers will give some basic miscellaneous coverage for equipment, such as \$25,000 in total, without requiring a specific listing of all equipment.
- However, if the equipment totals are \$50,000 or \$100,000 or higher, the insurer will typically require a schedule listing each individual piece of equipment and each piece's value. Have that ready before applying. The rental company should be able to create that schedule when they quote you the rental price.

- There are a number of additional subcategories of property included in an inland marine policy, such as
 - Props, Sets & Wardrobes
 - Negative Film & Faulty Stock
 - Extra Expense (for reshooting)

Type 2: Equipment coverage for **Owned Equipment** (as opposed to rental equipment)

- What is the total value of your owned equipment?
- Similar concepts apply to owned equipment: insurers will typically give up to a certain amount of coverage without requiring a schedule.

Automobile Policy:

- Hired/Non-Owned Liability (\$1,000,000)
- Hired and Non-owned Auto Physical Damage (Occurrence Limit/Aggregate Limit: \$125,000/\$500,000)
- Hiring any buses or large vans for transport of people? (12 passengers or more)

Excess Liability Policy:

- Required? If so, what limits?

Workers compensation?

- Number of full-time employees
- Number of part-time employees:
- Total Payroll: \$
- Employee class (if known)
- FEIN number will be required
- Are any company principals going to be excluded from coverage?