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This article contains a checklist of insurance coverages to be considered by a film or video production company. The checklist below also includes a brief description of what the policy protects you for. For an exact description of the actual coverages, you must refer to the language in your contract.

- 1. Workers Compensation Coverage:** Covers an employee for sickness or injury while on the job or such sickness or injury which is job related. An employee is basically anyone under your direct supervision and control, regardless of the number of days worked for you, and regardless of whether or not you are withholding taxes.

It is suggested that all film production companies maintain a separate workers compensation policy even if they are using a payroll service. There will be an occasional person who the Workers Compensation Board will determine is in actuality an employee and whose payroll has not been put through the payroll service. In the event the employee who has not been paid through the payroll service is injured, you need to have had a workers compensation policy in force.

All workers compensation policies contain an exclusion of coverage for five states where coverage does not apply for employees hired in those states. These five states are called monopolistic states and coverage can only be purchased from the state-run program. In addition to the monopolistic states, coverage will not apply to employees hired in states in which the insurance carrier is not licensed. If you are using a payroll service, it is important to verify which states their particular policy does not afford any coverage.

Listed below are the monopolistic states and the contact for Workers Compensation insurance in each of those states:

<u>STATES</u>	<u>CONTACT FOR INSURANCE</u>
A) Ohio	Bureau of Workers Compensation 30 West Spring Street Columbus, Ohio 43215 (800) 644-6292 http://www.ohiobwc.com/

- B) Washington Washington State Department
of Labor & Industries
Region IV, First Floor
Call For Local Offices
(800) 547-8367
<http://www.lni.wa.gov/>
- C) West Virginia West Virginia Bureau of Employment Programs
Workers Compensation Division
4700 MacCorkle Avenue, SE
Charleston, WV 25304-1964
(304) 926-5000
<http://www.state.wv.us/bep/wc/>
- D) Wyoming Workers Safety and Compensation Division
1550 East Pershing Boulevard
Cheyenne, Wyoming 82002
(307) 777-7159
<http://wydoe.state.wy.us/>
- E) North Dakota North Dakota Workers
Compensation Bureau
500 East Front Avenue
Bismarck, ND 58504-5685
(800) 777-5033
<http://www.ndworkerscomp.com>

Finally, never hire children in violation of the limitation provided in their working papers. Most states provide a higher benefit to children hired in violation of their working papers than to those children who work in accordance with their working papers. The production company will be held responsible for the difference between the standard benefit and the higher benefit.

2. Foreign Voluntary Workers Compensation: Covers an employee who suffers injury or sickness which is job related and who has been brought from one foreign country to another. It is important to note that the domestic workers compensation policy will cover U.S. employees while in a foreign country for a short time. In the event the U.S. employee is stationed in a foreign country for other than a short time, foreign workers compensation should be obtained. Foreign coverage should be purchased to provide a repatriation and endemic disease benefit.

The only way to provide benefits to local people hired in foreign countries is either through the social insurance system in their country by way of payroll taxes or to purchase a workers compensation policy in the countries that do not have social insurance.

The best way to hire foreign employees is through a foreign production company that has secured the necessary coverage by way of payroll taxes or a domestic workers compensation policy in that country.

3. Statutory Disability Benefits: Covers employees for a statutory amount in the event they get hurt or sick while off the job. This is mandatory coverage in New York, New Jersey, Rhode Island, Puerto Rico, Hawaii and California. If you are using a payroll service, it is important to verify that they have secured this coverage.

4. Commercial General Liability:

General Aggregate	\$2,000,000
Products & Completed Operations Aggregate	\$1,000,000
Personal Injury and Advertising Injury	\$1,000,000
Limit Each Occurrence	\$1,000,000
Fire Damage Legal Liability	\$ 50,000
Medical Expense	\$ 5,000

Including:

- A. Notice of Occurrence
- B. Knowledge of Occurrence
- C. Unintentional Errors & Omissions
- D. Blanket Additional Insured Endorsement
- E. Nonowned Watercraft Liability for boats under 26 feet
- F. Limited Worldwide Liability - Liability is limited to the United States, its Possessions and Territories and Canada. Coverage is extended to be worldwide for those lawsuits that originate in the United States and that occurred while the production company was in a foreign country for a "short time." Since the policy does not define a "short time" and since you can not tell someone where to sue you, it is best to purchase foreign liability.
- G. Contractual Liability
- H. Employees as additional insureds
- I. Director Loan Out Corporations as an additional insured while working for the first named insured.

The Commercial General Liability Policy in its truest sense basically covers trips and falls. It covers a film production company for bodily injury and property damage claims brought by others as a result of their negligence. In the event there is no negligence on the part of the film production company there is a \$5,000 medical expense limit that will be available on a gratuitous basis.

It is important to note that the Commercial General Liability policy has many exclusions. Listed below is an abbreviated list of policy exclusions:

- a) Any benefits payable under a workers compensation statute or an employers liability policy.
 - b) Any benefits payable under a disability benefits statute.
 - c) Any property in the insured's care, custody and control. This exclusion includes but is not limited to: film equipment, props, sets and wardrobe, actual locations (depending on the location agreement and who is paying the location fee), automobiles, watercraft, aircraft, trains, your actual office location etc..
 - d) Anything having to do with automobiles.
 - e) Anything having to do with aircraft.
 - f) Anything having to do with watercraft over 26 feet in length.
 - g) Liability claims that arise outside the United States, its Possessions and Territories and Canada, resulting from work in that country other than for a "short time" and where the original lawsuit is filed other than in the United States.
 - h) All pollution liability claims. This exclusion applies to many types of smoke and special effects currently being used.
 - i) Anything having to do with railroad protective agreements.
 - j) Employment practices claims such as discrimination, sexual harassment or wrongful termination
 - k) All types of libel, slander, defamation, infringement of copyright or trademark, unauthorized uses of titles, formats, ideas, characters, plots and invasion or infringement of or interference with the right of privacy or publicity claims resulting from the production.
 - l) Breach of contract.
 - m) Intentional acts.
- 5. Foreign Commercial General Liability:** Is recommended anytime you film outside of the United States, its Possessions and Territories and Canada.

- 6. Nonowned & Hired Automobile Liability:** Protects against claims resulting from the use, loading or unloading of nonowned and hired automobiles.

Coverage is limited to the United States, its Possessions and Territories and Canada. Coverage excludes physical damage to the automobile being driven.

- 7. Hired Automobile Physical Damage:** Protects against physical damage to hired automobiles. Coverage is limited to the United States, its Possessions and Territories and Canada.

It is important to note that the maximum limit per automobile or truck is usually \$125,000. This limit is inadequate when using certain cranes and camera cars. Therefore, camera cars and cranes are best covered under the Miscellaneous Equipment or Hired Vehicle Physical Damage section of the Production Package policy. Different carriers further offer you the ability to insure all types of automobiles and production vehicles under the Miscellaneous Equipment section of the Production policy. The advantages of insuring physical damage on the Production Package policy are as follows:

- 1) The coverage is worldwide as opposed to being limited to the United States, its Possessions and Territories and Canada.
- 2) The Miscellaneous Equipment limit is usually higher than \$125,000.

The disadvantages of insuring the physical damage of hired automobiles and production vehicles on the Production Package policy are as follows:

- a) Some carriers have a stunt exclusion under the Miscellaneous Equipment section.
- b) The deductible under the Miscellaneous Equipment section may be higher.

- 8. Foreign Nonowned & Hired Automobile Liability and Physical Damage:** Is recommended anytime you film outside of the United States, its Possessions and Territories and Canada.

- 9. Nonowned & Hired Aircraft Liability:** Covers you for bodily injury or property damage claims arising from the use, loading or unloading of aircraft. Worldwide coverage can be purchased on the same policy. Excludes coverage for physical damage to the aircraft being used.

When using an aircraft, you should purchase nonowned aviation liability or name yourself as an additional insured on the aircraft's policy or both. In addition to purchasing your own coverage or sharing the coverage of the aircraft, you should obtain a hold harmless agreement for damage to the aircraft itself and a waiver of subrogation from the insurance carrier that insures the aircraft. In the event you are unable to secure the hold harmless agreement and waiver of subrogation, you should insure the aircraft for physical damage.

- 10. Nonowned & Hired Watercraft Liability:** Covers you for bodily injury or property damage claims arising from the use, loading or unloading of watercraft. This coverage is usually purchased on a job by job basis. Therefore, you should be sure to buy domestic or foreign coverage as needed. Excludes coverage for physical damage to the watercraft being used.

When using watercraft, you should purchase nonowned watercraft liability or name yourself as an additional insured on the watercraft policy or both. In addition to purchasing your own coverage or sharing the coverage of the owner of the Watercraft itself and a waiver of subrogation from the insurance carrier that insures the watercraft. In the event you are unable to secure the hold harmless agreement and waiver of subrogation, you should insure the watercraft for physical damage.

- 11. Railroad Protective Liability:** Covers you for bodily injury or property damage claims arising from the use of railroads. This coverage is usually purchased on a job by job basis. Therefore, you should make sure to buy domestic or foreign coverage as needed. Excludes coverage for physical damage to the railroad being used.

When using railroads you should purchase railroad protective coverage or name yourself as an additional insured on the railroad's policy or both. In addition to purchasing your own coverage or sharing the coverage of the owner of the railroad, you should obtain a hold harmless for damage to the railroad itself and a waiver of subrogation from the insurance carrier that insures the railroad. In the event you are unable to secure the hold harmless agreement and waiver of subrogation, you should insure the railroad for physical damage

12. **Film Production Package Policy (Usually Worldwide)**

Negative Film & Videotape - Covers the actual cost to reshoot the film as a result of fire, theft, water damage or lost film. There is no coverage for weather days during the reshoot.

Faulty Stock, Camera & Processing Errors - Covers the actual cost to reshoot the film as a result of bad film, camera malfunction or lab errors. There is no coverage for weather days during the reshoot.

Props, Sets & Wardrobe - Covers props, sets & wardrobe used in a commercial. Jewelry, furs, fine arts, antiques and objects of art usually have a sublimit of \$5,000 to \$25,000. Please note: Props, Sets & Wardrobe coverage does not afford any animal mortality coverage. Animal mortality coverage can be added by endorsement.

Extra Expense - Covers those expenses incurred above and beyond what would have otherwise been incurred as a result of direct damage to property being used in the production. Please note that there are many exclusions in this section. For example: changes of temperature, dampness of atmosphere, damage to property stored in the open, loss of use of animals, breakage of glass or fragile materials and mechanical breakdown of other than cameras, sound equipment and generators; providing this endorsement has been added.

* **Miscellaneous Equipment** - Covers the actual equipment being used to film including cameras, lights, grip and generators. Please note, this coverage can be extended to include physical damage to production vehicles and automobiles. At the very least, the coverage should be extended to include camera cars and cranes. Owned equipment is also covered under this section.

* **Third Party Property Damage** - Covers that property not specifically covered under Negative, Film & Videotape, Props, Sets or Wardrobe, Miscellaneous Equipment or Office Contents that are in the insured's care, custody and control. This coverage usually applies to property being moved out of the way on the location and in many instances to the location itself.

* Loss of use coverage for film or video rented equipment is provided in either the miscellaneous equipment or third party property damage section. The various entertainment insurance carriers include this coverage under different sections of their production policies.

Office Contents - Covers desks, computers, telephones, furniture and improvements & betterments.

IMPORTANT ENDORSEMENTS TO THE FILM PRODUCTION PACKAGE POLICY:

- **Agency Reshoot Expenses** - Covers the agency travel expenses originally paid for by the advertising agency to return to the location as a result of a Negative Film and Videotape, Faulty Stock, Camera or Processing loss. (For commercials only)
- **Talent Cost Endorsement** - Covers the cost of talent which was originally paid for by the advertising agency in the event of a re-shoot caused by a Negative Film and Videotape, Faulty Stock, Camera or Processing loss. Please note, some companies are placing a \$50,000 limit on this expense. This limit is grossly inadequate to cover the fees paid to many celebrities that endorse different products in television commercials. (For commercials only)
- **Extra Expense Extension** - As respects portable generators, camera equipment or sound equipment, provided they were fully tested and proven to be in good working condition prior to being used, the exclusions of mechanical breakdown, short circuit or other electrical injury, disturbance or failure, whether due to external or internal causes shall not apply.
- **Off Premises Power Interruption** - Covers extra expenses incurred due to the actual or potential impairment of your operations caused by or resulting from direct physical loss to property or personal property of a utility such as a water or power supply company.
- **Civil Authority** - Covers such loss not including loss of earnings or profit, sustained by reason of such extra expense necessarily incurred in the event of interruption, postponement or cancellation of a declared production as a direct and sole result of the action of a civil authority that prohibits access to the property or facilities contracted to be used in connection with such production and occurring during the policy period.
- **Animal Mortality** - Covers animal mortality caused by an accident only. For sickness coverage, a veterinary certificate is required. Coverage for loss of use is also available by endorsement.
- **Director Cast Coverage** - Covers the expenses to abandon the production, the expenses associated with a delayed completion of the production or extra expense to hire another director, whichever is less, as a result of accidental injury to the director during the filming of a production
- **Cast Coverage** - Covers the extra expenses due to accident or sickness or both to named persons. Coverage can be extended to cover the pre-production period. A medical examination is usually required to obtain sickness coverage. (Covers a limited period of time)

- **Non-Appearance Cast Coverage** - Covers the expenses due to the non-appearance of a named person. Coverage is broader than mere cast coverage and it can be extended to cover circumstances beyond the cast members control. Coverage can be extended to cover the pre-production period. (Covers a limited period of time)
 - **Monies & Securities Inside & Outside** - Covers theft of petty cash and cash used for productions. (**Note:** Coverage only applies if cash is locked in a safe place while unattended).
13. **Umbrella Liability:** Provides bodily injury and property damage coverage after the commercial general liability limit, the automobile liability and the employers liability limits have been exhausted. It is important to note that there are certain limits that must be maintained on the commercial general liability, automobile liability and employers liability policy in order for you to be correctly protected. The umbrella carrier is not responsible for the difference in limits maintained versus what the policy requires you to maintain or what the film production company told the insurance carrier was being maintained.
 14. **Errors & Omissions Liability:** Protects a film production company for libel, slander, defamation, infringement of copyright or trademark, unauthorized use of titles, formats, ideas, characters, plots and invasion or infringement of or interference with the right of privacy or publicity resulting from a production.
 15. **Group Travel Accident:** Covers a contractual obligation of different unions for an accidental death and dismemberment benefit. Coverage can be purchased for key directors and producers on a voluntary basis. If you are using a payroll service, it is important to verify that they have secured this coverage.
 16. **Political Risk and Confiscation:** Covers against costs due to political risk and confiscation of film and equipment due to foreign governments.
 17. **Weather Insurance:** Must be purchased at least one week prior to the date for which coverage is desired. Covers those expenses incurred as a result of being unable to film as a result of a weather condition including rain, snow or wind depending on the peril you selected.

Please note that the measurement of rain, snow or wind is usually the nearest weather station not your actual shoot location. Arrangements can be made at your expense to gather the measurements at your location.

18. **Employee Dishonesty** - Covers property, money or securities stolen by one or more employee. Most property policies exclude theft by employees.
19. **ERISA:** Covers your statutory obligation for any profit sharing or pension plans you may have.

THIS CHECKLIST IS FOR INFORMATIONAL PURPOSES ONLY. IT IS NOT INTENDED TO REPLACE OR SUPERSEDE ANY OF THE TERMS AND/OR CONDITIONS OF THE POLICY CONTRACTS. THIS CHECKLIST SHOULD NOT BE CONSIDERED A COMPLETE SUMMARY OF ALL OF THE COVERAGES AVAILABLE &/OR ESSENTIAL TO YOUR BUSINESS.