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studio

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Audio Spotlight

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A Capacity for fresh ideas

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ARE YOU COVERED?

What you should know about production insurance

Planning for Upgrades

My husband and I knew the old furnace wasn't doing its job heating our home. The foul smell coming through the vent outside the house finally convinced us of its impending demise. Though it was a few years shy of its 20-year expected lifespan, the time had come to replace it. So we did what most do in a similar situation: we put it off until we could afford it.

Then, during an arctic cold snap on a Sunday night (hello, overtime), it simply gave out. Twenty-four hours later, we had a new, more powerful furnace that blew hot air not just to the center, but out to the extreme interior reaches of our house. It had a few false starts and needed some fine-tuning to run efficiently, but it was the right investment at the right—albeit imposed—time.

I'll bet you've got a camera, workstation or storage system you know needs upgrading. Hoping it will last for at least another year? It probably will, but if the worst happens—a deadline looms and the equipment dies—you could end up squandering your upgrade budget on rentals until you find, test and buy a replacement.

I know, I know: Since late last year, clients have drastically scaled back on their budgets, some cutting video projects altogether. Now is not the time to invest in the future of your business. Or is it? Why not force your upgrade budget into healthy maturity by cutting back, temporarily, on less fundamental necessities. For example, studio redesign and even extensive marketing plans can wait until the business is more flush. Use the money instead to get the camera you know will take your projects to the next level.

There are some things you just can't scrimp on, however, without threatening the very existence of your facility. Production insurance is one of them. Producer and director Tom Strodel, of 24fps Productions here in New York, invests his money wisely when shopping for and buying production insurance, and he wants you to do the same (page 25). He and his broker at Film Emporium have demystified this all-too-often dismissed process, complete with a handy chart (page 26) that explains why you need various levels of insurance for different types of productions.

Don't forget to take advantage of the print function (one click, top right of navigation bar) in this month's digital edition, so you can keep the chart and guide nearby for easy reference.

Let's hope, after this winter of record lows, that spring comes fast and in all kinds of abundant forms, user manuals included.

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ARE YOU COVERED?

PRODUCTION INSURANCE POLICIES COME IN ALL SHAPES, SIZES AND COSTS. FIND OUT WHICH KIND AND HOW MUCH YOU NEED FOR YOUR NEXT SHOOT. By Thomas Strodel

Ahhh—production insurance. Kind of brings a certain twinkle to the eye, doesn't it? From determining what amount of coverage you need, to navigating the variety of policies available, to finding a broker who can package it all up for you, the process can be quite daunting. I've always sought a better understanding of this subject, so with the help of my broker, Laird Criner, of Film Emporium in New York City, I present to you a brief guideline on some of the most important concepts to keep in mind during your next production. On the following spread (pages 26 and 27), we've put together a printable chart you can keep on hand for future reference.

This is by no means a complete guide, nor is it meant to include all types of productions or scenarios. You should always talk to your broker—not only can he or she customize a package for you, but a broker will also typically seek out the best premiums, since many policies can be purchased from different insurance companies. Remember, the brokers represent the production company, NOT the insurance company. You can find a broker by looking in your local production guides or on the Internet, but I've found recommendations from colleagues to be the best.



Most important, when you're considering a prospective broker, make sure he or she specializes in entertainment.

Why do I need insurance? There are really just three simple reasons, and most productions include elements of each: Legal, Contractual and Asset Protection. Legal is a requirement by your state or local municipality to carry a particular type and/or level of insurance coverage. For example, all states require you to carry workers compensation insurance. If you have an agreement with a

you on the production, usually satisfies your minimum local or state legal requirements. General liability, on the other hand, covers you against losses due to bodily injury or property damage as a result of your production—say, for example, if a bystander gets hurt. Another consideration is the “minimum amount,” a dollar amount that the coverage must protect you for. For example, most rental companies not only require insurance to cover the replacement value of the equipment you rent from them, but also a minimum of \$1,000,000

“Your best way to help a broker help you is to provide all insurance requirements you encounter in writing, so there is no miscommunication.” –Laird Criner, Film Emporium

client, such as a television network or record label, there will likely be specific insurance provisions you may need to provide as part of your end of the agreement—that's the Contractual part. Asset Protection is pretty obvious: It covers you against damage and loss to tangible assets like production equipment, or liability for the people who work with you or that you may come in contact with during the production, should they be injured or worse.

What kind of policy should I get? Do you need a short-term, long-term or “annual” policy? Short-term policies typically cover a single production (like one music video, one commercial, etc.) and are good if you're on a very tight budget or if you're uncertain that you'll do additional productions. But if you have more than four of these types of productions per year, it's typically less expensive to purchase what's called an annual policy (though how much you save depends on the types of coverage you need).

Just how much insurance do I need? This really depends on the specifics of the production (for short-term), or the types of production you'll be doing throughout the year (for an annual policy). There are several types of insurance, called “lines of coverage,” which are detailed on the following chart. Typically, you'll need to purchase at least a few different lines of coverage to satisfy the needs of your production. For example, workers compensation, which covers people who work for

in general liability coverage to protect against damages should one of their cameras injure a bystander. Thankfully, your broker can determine what you need and bundle these together into a packaged policy.

How much does insurance cost? This depends on the type of production you're doing. The minimum we've paid for a short-term policy recently was around \$1,800 (for a local commercial), though Laird tells me that policies start as low as \$600. In the past we've paid more than \$30,000 for an annual policy that included all sorts of special coverage, including shooting from boats, helicopters, underwater, and in foreign countries. The premiums are usually due in full up front, before the start of production, but often annual policies can be financed with a 25% down payment and subsequent monthly installments.

How do I prove coverage to my vendors and locations? You prove coverage to rental houses, permit offices, and others by having your broker issue a certificate of insurance. Some brokers, like Film Emporium, offer an online tool that lets you generate certificates that are automatically e-mailed to you as a PDF file.

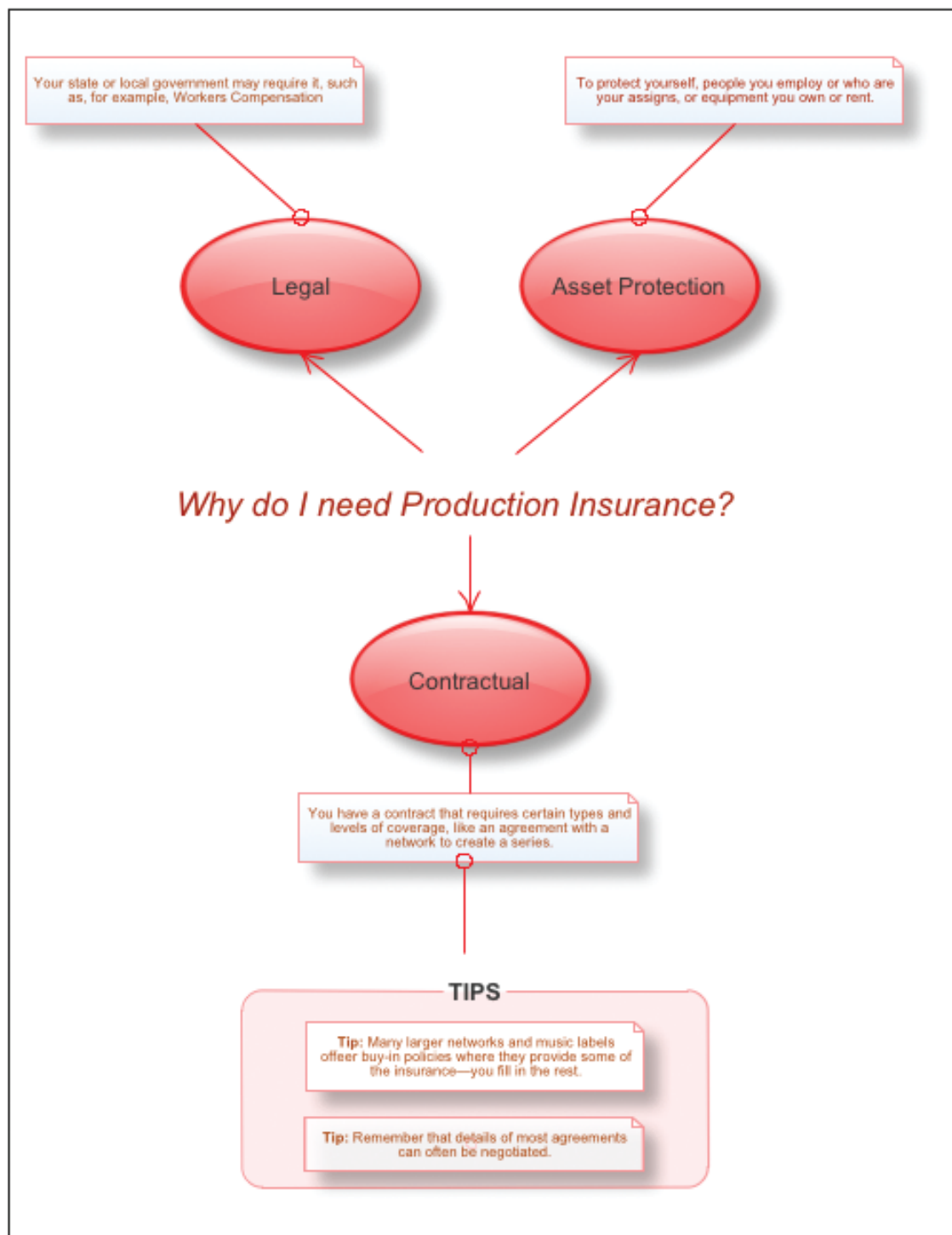
What if something happens? You should immediately report it to your broker, who will then guide you through the required documentation to make a formal claim.

The bottom line: It's always better to be safe than sorry. Protect yourself.

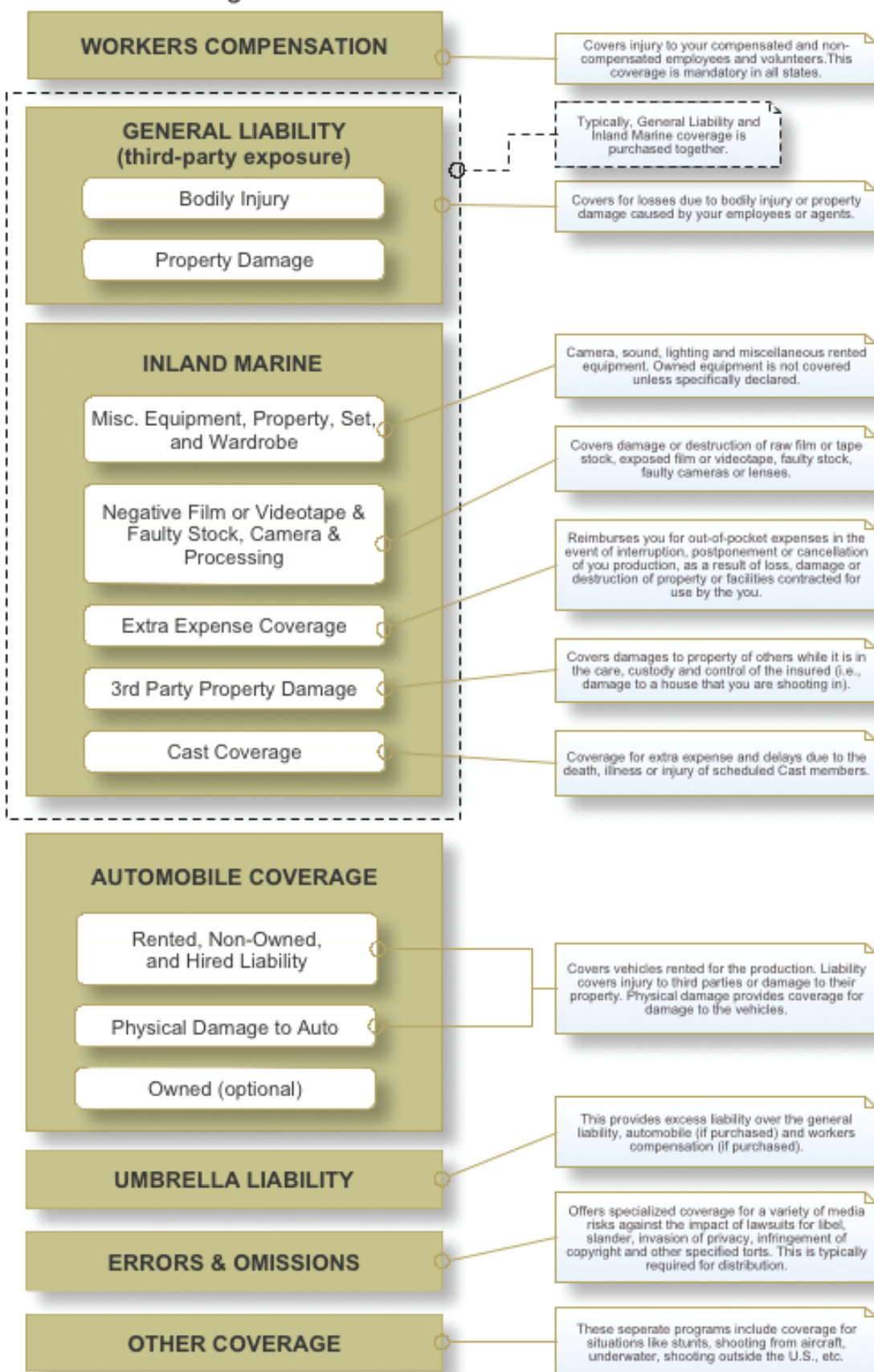
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A Production Insurance Primer

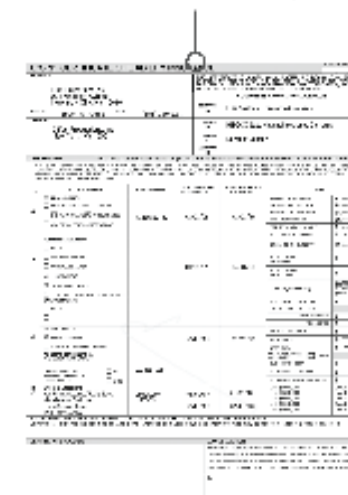
This is a general summary of coverages and it is not intended to give complete policy information. All coverages and exclusions are found in the policies. Please contact your broker for complete details.



Insurance Packages



Evidence of Coverage



Insurance Certificate for vendors and locations

KEY

LINES OF COVERAGE