

Insurance: Points to Ponder

by Ken Roberts



Theatre Insurance: We're not in Kansas any more!

If you've ever wondered why there's not an insurance company on every street corner that writes coverage for our theatres, consider this: A hypothetical theatre is doing a children's production of *The Wizard Of Oz*, and one of the members of the Board of Directors has the cutest little dog that can be trained to do whatever is required of Toto for their production. The rehearsals are going off without a hitch, as every night Toto rushes to Dorothy and leaps into her little outstretched arms at just the right moment. However, opening night comes, and there are all those proud parents out in the auditorium, which up until now had been empty. When Toto rushes across the stage on cue, the audience erupts into cheers and applause, and Toto, instead of leaping into Dorothy's arms, runs over and bites her on the hand, causing an injury that requires an 8 year old girl to get stitches. Now there are

medical bills and Mom and Dad are considering suing the theatre as well as the board member for endangering their child.

This type of claim will show up on a theatre's loss history as "dog bite," and while this occurrence may not seem that far fetched to those of us who participate in theatre regularly, on any other companies' loss history it might raise an eyebrow or two. Insurance companies that cover zoos and animal shelters expect to see dog bites, but the carriers that protect the average nonprofit organization do not. Theatres, however, are a completely different animal, so the few insurance companies that will consider theatre coverage must know that almost anything can, and will, happen.

Depending on the circumstances and location of a theatre, there are several policies that can come into play to cover an accident of this

nature. General Liability, Workers Compensation, Directors and Officers Liability and possibly even Accident Insurance all have a role in paying the bills and demands of our staff, volunteers and patrons. Each policy has its specific role to play in weaving a blanket of protection over our theatres, and each insurance company must understand how we operate so as not to leave any holes in our coverage.

The bottom line on all of this is that we need to make sure we don't just buy the least expensive policy we can find, but that we can feel secure that our insurance companies know exactly how theatres operate, and that they won't cancel our policies or raise the rates beyond affordability because of a claim that seems bizarre. In the theatre world, nothing is bizarre, because, after all, we're not in Kansas any more.

For more information about the AACT Insurance Program, contact:

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