



INSURANCE 101 FOR PERFORMING ARTISTS

Adapted from Dance Theatre Workshop's (www.dancetheaterworkshop.org), "Insurance Fact Sheet" courtesy of Brian Rogers, Director of Operations.

Insurance can be intimidating, expensive, and seemingly unnecessary, in fact many performing artists ignore it all together. Big mistake! Not having insurance puts you, your company members and the performance/residency venue at risk. Don't take chances!

How to get insurance:

The best/easiest way to acquire the insurance is to contact a reputable broker. Two of the more popular brokers for the performing arts are Dewitt Stern (www.dewittstern.com) and C&S (csins.com). A good broker will help to walk you through the process; and will handle a good deal of the leg work on your behalf. Also there are some artist service organizations such as Fractured Atlas (www.fracturedatlas.org) that have programs specializing in discount insurance for artists.

Insurance coverage that you'll absolutely need to have:

Liability Insurance – All businesses, whether they be corporations or single artists are typically required to have liability insurance (minimum coverage \$1,000,000). This insurance protects you (and the spaces in which you work) against lawsuits from the public resulting from accidents, injuries, insults etc. Note: this insurance does NOT cover you or your employees. Some presenters have plans that you can buy into for short-term runs. These costs can range from \$200 - \$500 per event depending on the size of the company.

Those of you who perform more frequently, or who have your own rehearsal spaces, may want to consider getting this insurance year-round through a broker. Year-round liability insurance will run you anywhere from \$2,000 - \$3,000 per year, depending on your activities (those of you with permanent spaces may wind up paying as much as \$5k/year).

Workers Compensation Insurance – All employers, large & small, are required to provide workers comp insurance for their employees. Workers comp covers workplace accidents and injuries for your performers, collaborators, and technical staff. Workers Comp insurance is regulated state to state.

There are a few common misconceptions regarding this insurance. Many artist companies pay performers and staff as independent contractors and issue 1099s. However in most cases it is technically illegal to classify performers as independent contractors and independent contractors are required to provide this insurance for themselves. Most, however, don't comply. Here's the rub: if your independent contractors do not get workers comp coverage for themselves, you are legally required to get it for them.

Typically you will need to acquire Workers Comp insurance from the state in which you live (workerscompensationinsurance.com/). The process is relatively painless. Premiums are based on the size of your annual payroll. For smaller companies, this insurance could cost approximately \$800-900 per year. Remember, some presenters require that you get this insurance for YOURSELF as well as your employees.

A few tips:

- 1) Do not inflate the amount you are paying your performers/technicians and yourself. The cost of the Workers Comp is based on the number of people you employ as well as the fees you are paying them.
- 2) The cost of the Workers Comp Insurance is pro-rated annually, so if you will not be needing coverage beyond your production period, it is advisable to send your cancellation form in advance (with date of termination for the date after your show and/or residency closes).

For larger groups among you, there is additional insurance coverage that is not required but is **highly recommended** (as any good broker will attest). Combined, these additional policies will run you \$2,000-\$3,000/yr.

A few details:

Directors & Officers Liability Insurance – those of you with functioning boards should consider getting Directors & Officers insurance. This insurance protects you and your board members against liability. Those of you with rehearsal and/or performance spaces should definitely have it, because if you don't have this insurance and your company is sued for any reason, your personal assets and those of your Board members are vulnerable. Because the performing arts is a high risk industry, every respectable insurance broker will more or less require you to have it.

Umbrella Coverage – for larger groups with higher-profile gigs, \$1 million of liability coverage is insufficient; most brokers will recommend that you augment this policy with an additional \$1 million of coverage.