



**The following information is provided by Taylor & Taylor especially for ASMP members. Details of contact information are in the Benefits section on ASMP's Web site.**

This article will discuss the various types of insurance coverage that a Commercial Photographer should know about. Purchasing insurance is similar in theory to that of purchasing a car. When you set out to purchase an automobile, you start out with a very basic stripped down model. Then you may add options, such as air conditioning, power windows, automatic transmission, etc. The added options improve the quality of the car you end up buying. Insurance is similar in that you start out with a very basic policy that excludes many types of losses. As with a car, you can add coverage by purchasing different types of endorsements (options) and thereby improve the actual policy that you end up purchasing.

Listed below are some highlights of the ASMP Prosurance policy.

**OFFICE CONTENTS:** Covers your furniture, computers, and copy machines, fax machines and improvements & betterment's.

**CAMERA EQUIPMENT:** Protects your cameras, lighting and darkroom equipment against, fire, theft, water damage, breakage, earthquake and much more. Coverage is worldwide and on a replacement cost basis. This differs from some policies that exclude coverage for theft from unattended vehicles, exclude earthquake, are limited to the United States and Canada, or provide coverage on a depreciated basis. Even though coverage is on a replacement cost basis, you will not collect more than the value you have listed in your schedule. The standard deductible is \$250 but \$500 and \$1,000 deductibles are available.

**FILM AND VALUABLE PAPERS \$15,000 LIMIT:** This coverage pays for expenses to re-shoot the job due to lost or stolen film. Coverage is designed to cover a current job and you must actually re-shoot the job in order to collect under this policy section. This important coverage is provided on a worldwide basis. It is important to note the laboratory processing errors, camera malfunction and bad film are excluded. Imagine your camera bag that contains your exposed film is stolen after your shoot. The loss suffered is much greater than just your actual camera equipment. Please note this coverage section does not cover stock photography or the liquidated damage amount of \$1,500 per image. The standard deductible is \$250.

**BAILEE \$5,000 LIMIT:** Protects you for damage to other people's property that is in your care, custody or control; including property you are moving or photographing. Most

liability policies exclude coverage for damage to property of others in your care, custody or control. Please note there is an exclusion for scratching and marring. The standard deductible is \$250.

**PORTFOLIO \$2,500 LIMIT:** This coverage protects the cost to reproduce prints, slides, chromes, tear sheets, etc. The basic policy covers 25 images at a cost not to exceed \$100 each in the event your portfolio is destroyed, lost or stolen. Coverage is worldwide. Note this coverage section does not include stock photography. The standard deductible is \$250.

**BUSINESS INTERRUPTION:** Covers the actual loss sustained for up to twelve months as a result of direct damage to the premises listed in your policy by a loss from an insured peril.

**GENERAL LIABILITY:** Protects you for your legal liability against lawsuits for bodily injury or property damage that occurs within the United States and Canada. One of the important aspects of this coverage is that it affords coverage both on your premises and locations within the policy territory. Listed below are important coverage exclusions.

- a. Injury to people deemed to be covered by a Workers Compensation Statute.
- b. Benefits payable under a statutory disability statute.
- c. Anything having to do with the use, loading or unloading of an automobile, watercraft, or aircraft.
- d. Damage to other people's property in your care, custody or control.
- e. Claims resulting from an improper model release, invasion of privacy, infringement of copyright or trademark, infringement of patents, or libel or slander if you are in the business of advertising, publishing, broadcasting or telecasting.
- f. Claims arising outside of the United States or Canada.
- g. Anything having to do with pollution.
- h. Any intentional act.
- i. Wrongful termination, discrimination, or sexual harassment.

**NOTE THE ASPM PROSURANCE POLICY PROVIDES THE FULL \$1,000,000 LIABILITY LIMIT TO PROVIDE FOR PROPERTY DAMAGE TO A LOCATION IN YOUR CARE, CUSTODY OR CONTROL AND IS USED TEMPORARILY AS A PHOTOGRAPHIC LOCATION OR SET.**

**NON-OWNED & HIRED AUTOMOBILE LIABILITY:** Protects an employer for bodily injury or property damage claims that arise from use of a hired, borrowed, or rented vehicle. This coverage will respond only after the policy insuring the vehicle involved in the accident has paid its limit. Please note there is no physical damage coverage for the vehicle being driven or for the driver to whom the vehicle belongs. Coverage is limited to the United States and Canada.

Optional Coverage Available:

1. Workers Compensation & Employers Liability
2. Statutory Disability Benefits  
Statutory States: New York, New Jersey, California, Rhode Island, Puerto Rico, and Hawaii
3. Business Automobile
4. Umbrella Liability
5. Still Photographers Package Policy
6. Foreign Commercial General Liability, Foreign Non-owned & Hired Automobile Liability, Foreign Voluntary Workers Compensation
7. Errors & Omissions Liability
8. Non-owned & Hired Watercraft Liability and/or Physical Damage
9. Non-owned & Hired Aviation Liability and/or Physical Damage
10. Non-owned Vehicle Physical Damage
11. Animal Mortality
12. Pollution Liability
13. Cast Coverage- for key models
14. Plate Glass
15. Monies & Securities
16. Employee Dishonesty
17. Pension Plan Liability
18. Employment Practices Liability
19. Boiler & Machinery
20. Disability
21. Health Insurance & Dental Insurance
22. Accidental Death & Dismemberment
23. Life Insurance
24. Long Term Care Coverage

In my opinion, Workers' Compensation is one policy every photographer who hires a person should carry. It does not matter whether the person works for a day or a year. When you purchase Workers' Compensation and Employers Liability coverage, you are eliminating two important exclusions in the standard Commercial General Liability policy. A Workers' Compensation policy will protect you for the State mandatory benefits in the event your employee gets hurt on the job. Most state statutes cover an employee for his/her medical expenses and a portion of their income for disability. If you have not purchased this coverage, you are personally responsible for this benefit. Failure to provide Workers' Compensation is one instance in which the courts will pierce the corporate veil (shield) and the shareholders will remain personally liable.

You are probably thinking these people I hire are "freelance", I do not withhold taxes, and they only work for me once in a while. I suggest the following is the truth:

- a. You are not withholding taxes to save money and paperwork.
- b. The Internal Revenue Service and the Workers' Compensation Board are two different administrative agencies.
- c. You can legally have an employee for a day.
- d. The courts will go to great lengths to protect an employee's Workers' Compensation benefits. For example, a written agreement between an employer and employee

where the employee signs away his rights to Workers Compensation benefits will not be upheld.

- e. It is far cheaper for an insurance company to pay the State mandated Workers' Compensation benefits than to pay the same claim under the Commercial General Liability coverage; a large portion of damage awards are for pain and suffering. In Workers' Compensation, there is no jury to award damages for pain and suffering. The legislature sets the structure of the benefits. Therefore, a Commercial General Liability insurance carrier will usually try to have a claimant categorized as an employee to lower their payout. The Employers' Liability coverage will protect you for claims brought by someone other than an employee to recover for damages paid or sought from a former or existing employee. Workers Compensation benefits are determined by the state in which an employee is hired. Most State Insurance Fund policies offer a discount to the policyholder if there are no claims. The major disadvantage of these policies is that they only provide the benefits of the state in which they are located. Policies offered by the private insurance carriers will usually provide benefits of all states except the five monopolistic states. The private carriers will also exclude coverage for any states in which they are not licensed. The five monopolistic states are listed below:

Benefits are excluded for employees hired in these states:

1. Ohio
2. West Virginia
3. North Dakota
4. Wyoming
5. Washington

Lastly, on Workers' Compensation, it is important not to hire children in violation of the conditions their working papers. When a child who is hired in violation of their working papers is injured while on the job, the standard policy will only pay a single Workers' Compensation benefit. Some states require a multiple benefit be paid in the above instances. The difference between the standard compensation benefit and the penalized benefit is the responsibility of the employer.

Two other points for discussion are people are always asking about the difference between a Loss Payee and an Additional Insured. A Loss Payee is a person or organization that has a financial interest in the property given or leased to you and for which you have agreed to provide the insurance. By adding a Loss Payee endorsement, both signatures are needed on a claim check in order to cash the check. The loss payee thereby maintains control of the insurance claim proceeds.

An Additional Insured endorsement extends your liability policy to cover a person or organization other than yourself. You are sharing your limit with this other party. Since the insurance carrier is now protecting more than one business, there is an added premium for this coverage.

**THIS HANDOUT IS MERELY A HIGHLIGHT OF THE ASMP PROSURANCE POLICY. IT IS NOT INTENDED TO REPLACE OR SUPERSEDE ANY OF THE TERMS AND/OR CONDITIONS OF THE POLICY. PLEASE REFER TO THE ACTUAL POLICY FOR AN EXACT DETERMINATION OF COVERAGE.**