

Guild Event Insurance:

From: Free State Brewing Co. [mailto:fsb@freestatebrewing.com]
Sent: Tuesday, January 10, 2012 9:52 AM
To: Guilds
Subject: Event insurance

We are trying to finalize the details on our first beer festival and some questions have come up regarding insurance. Anybody care to share what you've done to provide liability protection for organizers, participating brewers, the Guild itself and the officers of the guild? Any rules of thumb related to numbers of attendees or any other qualifying factors. This is an indoor event that provides us pretty good control over what happens in the venue but things can happen when people leave that we have limited control over.

Thanks,
Steve

Steve Bradt fsb@freestatebrewing.com
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From: Paul Kavulak [mailto:paul@nebraskabrewingco.com]
Sent: Tuesday, January 10, 2012 10:08 AM
To: 'Free State Brewing Co.'; Guilds
Subject: RE: Event insurance

Steve – we’ve done an event for a couple of years now (Great Nebraska Beer Fest) as Nebraska Brewing Company – not the Guild. That said, the space is near the brewpub so our insurance provider checked and said that our in-effect liability insurance would cover the festival as well as our day-to-day operations. We’ve yet to undertake a fest as the Guild itself.

We did take out additional insurance though to cover weather – even though it was a rain-or-shine event, there are things that don’t go so well in a torrential downpour / high winds etc. It isn’t very expensive considering it’s only against your base expenses (not any ticket reimbursements etc.) so in the scheme of things, it doesn’t hurt to have it. We’ve never filed a claim of any sort.

There was a separate event within the area last year (held by a taphouse) where things definitely went awry. Festival was shut down early at the order of the Omaha Police Dept. I think things wrapped up without major legal issue but it definitely caused me to ensure we’re as covered as we can be.

Cheers and good luck!

Paul

From: Brian Butenschoen [mailto:orbrewingguild@msn.com]
Sent: Tuesday, January 10, 2012 12:06 PM
To: Paul Kavulak; fsb@freestatebrewing.com; Guilds
Subject: RE: Event insurance

We have directors and officers insurance to protect our board.

It's possible to obtain liquor liability insurance per event at a fairly reasonable cost which we did in the past.

In the past couple of years we have decided it was time to obtain liability and liquor liability for the events that we do. All spaces where we have had events have asked for to be named as an additional insured on our liability insurance for what it's worth.

Thanks!

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From: Tony Herbert [mailto:therbert@bresnan.net]
Sent: Tuesday, January 10, 2012 12:22 PM
To: Brian Butenschoen; Paul Kavulak; fsb@freestatebrewing.com; Guilds
Subject: RE: Event insurance

Steve, we have a similar response as Brian in Oregon. We have our own liability insurance for the association, which covers the board and the executive director. We also pay for coverage for one major festival which is under a one day special non-profit permit for the association. Hope this helps, any questions please let me know. Tony

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From: Laura Mullen | MNCBG [mailto:laura@mncraftbrew.org]
Sent: Tuesday, January 10, 2012 12:46 PM
To: fsb@freestatebrewing.com
Cc: Guilds
Subject: RE: Event insurance

Hello Steve,

Insurance for fests is a responsible must to protect yourselves and attendees alike and we have not found it too cost prohibitive at all.

In Minnesota we have annual Guild directors insurance and then for each fest take out General Liability & Liquor Liability policies for the dates of the events (including set-up and tear-down dates if different from the fest dates themselves). We have some additional insureds for the fest insurance including the planner's company (my event company), the venues,

nearby parking lot owners, and any other vendors that make a good case &/or require it in their contracts to be added (note you will pay a bit for each additional insured you add so wait for them to ask).

As for the members and non-members who have beer pouring booths – they are not listed on our fest insurance directly, but are sort of covered (we hope!) should anything happen. But we include in their paperwork to have a booth (that they sign off on) that they each have their own General & Liquor insurance of a \$1M+ limit to help sort of cover us also since they are the ones pouring the alcohol.

We have also looked into weather and cancellation insurance, but it was very expensive so we have not done it to date, but consider each year as our fests are becoming so big and with a lot of finances depending on them.

We are also looking into additional umbrella insurance for each event but not sure about price for that yet.

Here is about what we pay just so you have a point of reference when getting quotes:

- Indoor winter festival for 1,000 w/ 2 add insureds = \$1,200
- Enclosed outdoor fest for 6,000 (3,000 x 2 sessions) w/ 6 add insureds = 6,000 w/ = \$2,150
- Annual directors & officers insurance = \$475

All of our events are 21+ with IDs checked at entry and have significant security on-site.

Some folks have asked me to share the name of our insurance agent & provider for the D&O (\$1M policy BTW):

- Agent – Alex Haeg with Associated Financial Group
(952) 945-0200 / Alex.Haeg@associatedfinancialgroup.com
- D&O Carrier – Chubb Specialty Insurance

Cheers!

L

Please note the MNCBG emails do not get checked daily - please call if you need an immediate response - Thanks!

Laura Mullen
Administration & Festival Coordinator

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From: Eric Briggeman [mailto:ebriggeman@sbcglobal.net]

Sent: Tuesday, January 10, 2012 8:07 PM

To: fsb@freestatebrewing.com; Guilds

Subject: RE: Event insurance

Steve,

In Michigan we also carry insurance similar to what Brian does in Oregon, and Tony in Montana. We have D&O Insurance for our Board. We used to get liability insurance per event but I believe we started to just carry a policy year round to cover all our Festivals and Events. And we also get the request to list any property or building owner as “additional insured” for events. We used to consider the use of “Rain Insurance” for our rain, snow, or shine Beer Festivals...but once we were fortunate enough to call our events “sell-outs” prior to the day-of, it wasn’t an issue anymore! I will say that bad weather in one of our first events could have KILLED our finances since we fund all Guild operations by our Festivals, so I wouldn’t rule out weather insurance as an option.

Cheers,
Eric Briggeman
President, Michigan Brewers Guild

From: david@empirebrew.com [mailto:david@empirebrew.com]
Sent: Wednesday, January 11, 2012 7:58 AM
To: 'Free State Brewing Co.'; Guilds
Subject: RE: Event insurance

Steve -

The comments from Paul, Brian, Tony, Eric and Laura are all excellent so I will just interject a few things based on my experiences. Insurance, Festivals and me go way back. I was a licensed insurance agent for 5 years and worked exclusively in the brewing industry and was also the endorsed agent for the BA. It should be noted that I have produced 12 Brewing Festivals and 7 NYS Blues Festivals ranging in size from 1,500 ppl to 50,000 ppl.

D&O:

Your guild board members can be protected with Directors and Officers Insurance or "D&O". D&O policies vary greatly between companies. I believe the most comprehensive coverage is offered by Chubb Specialty Insurance (CSI). They offer a \$1,000,000 per occurrence and \$1,000,000 aggregate policy with a \$2,500 per claim deductible. Expect to pay around \$2,000 per year for this policy -- it's worth every cent.

GL&LL:

Event Policies again vary depending on the company. There are a number of insurance companies that specialize in Event Policies. You may want to look into Philadelphia Insurance Company and K&K Insurance Group for a quote. They both offer solid coverage forms. I would recommend an annual policy whereby you can add events if needed. You will need "General Liability" and "Liquor Liability" coverage. The standard limit is \$1,000,000 and the policy allows you to have 3 additional insureds at no additional cost. There will be additional premium required for additional insured beyond 3. Try to limit the additional insured to property owners and municipalities. Those companies that you hire for services (ie: port-a-potties, etc.) should add your organization on their policy as an additional insured. I would also highly recommend obtaining certificates of insurance adding your organization as an additional insured from all food and non beer vendors. Your GL & LL policy will cover the brewery participants so no need for anything from them. Other coverages that are important to festivals include: (1) Damage to Rented Premises - standard limit is \$300,000 (2) Medical Expenses - standard limit is \$5,000 but you can negotiate a higher amount with some carriers (3) Any Auto - this protect you from ANY vehicle involved in your event and (4) Excess Liability or an Umbrella - I like to have \$5,000,000 in coverage when I do an event (\$1,000,000 policy + \$4,000,000 Umbrella).

Pricing:

GL and LL - policy depends on the number of attendees and the market (whether soft or hard). Right now the market is still a bit soft but there are rumors of it hardening soon. Plan on paying roughly \$1,500 for a 3,000 to 5,000 person event.

Excess Liability and Umbrellas - plan on \$1,000 in premium for every \$1,000,000 in coverage.

I hope this helps. Feel free to contact me with any additional questions.

B.Rgrds.

David Katleski
President

Empire Brewing Company www.empirebrew.com
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