

Trade Show Insurance

By Michael Gray

I will start with a disclaimer that I am not an insurance expert. You should consult with your insurance company to understand what insurance policies you have in place and what that insurance covers. (I just want to get you thinking about different scenarios where you may be vulnerable.) **There are three basic types of coverage for trade show insurance: Event Cancellation/Disruption, Liability, and Personal Exhibit Property.**

Most companies overlook **event cancellation or disruption insurance**, but it may be wise to look at a **general policy** that covers a year's worth of shows and to at least get a quote. The tragedy in Boston that shut down the city, hurricanes and floods, and the government sequester cuts that cancelled many shows are all **examples of lost expenditures** that could potentially fall under this type of insurance.

The next type of trade show coverage is **liability**. Basically, liability is the responsibility that one person or group has toward another person or group either through a legal justification or debt-related occurrence.

Show venues and organizers will require that you provide a **Certificate of Insurance** with liability coverage of usually up to \$1,000,000. The association or show organizer may ask that you include the **venue** (meaning the show location) and the organizer as "additional insured." This places your insurance in front of their insurance as the first line of defense in the event of a law suit. **Exhibitor Appointed Contractors** (EAC's), like Blue Goose and Exhibit Edge, that supervise installation and dismantle of exhibits on the show floor are also required to provide this proof of insurance.

What you need to understand is that there are so many different contractors, exhibitors, and attendees at trade shows. So, you should realize that the blame game can go a long way when someone suffers an injury or damage to property. I can think of many scenarios where exhibitors can be liable. Things like:

1. Walking behind your exhibit and knocking down the exhibit behind you.
2. Someone tripping in the aisle because of an item from your booth that fell off the counter.
3. A fire that started from the computer power pack inside your counter or behind your exhibit, etc.

Insurance for **personal exhibit property** is often overlooked as well, and I need to sound the alarm bells about this topic. It is not something that is talked about or budgeted for in Marketing Departments. Most exhibitors do not realize how exposed they are to loss or damage when they have exhibit property moving to and from the exhibit site.

Display houses, like Exhibit Edge and Blue Goose, do carry insurance when they prepare and load exhibits at their facility. Once they load the truck and the exhibit heads to the destination, then the responsibility shifts to the carrier. The carrier's liability is limited to an average of 50¢ per pound, unless extra insurance is requested and added to the order up front. So, let's say that

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you have a 300 pound pallet—then, the maximum liability for the entire pallet would be \$150. If you had a pop-up exhibit, a monitor, literature, and give-a-ways, then the limit would do little to offset the \$3,000 - \$6,000 cost for replacements.

Now, let's say that all goes well, and the shipment makes it to the show site. The show contractor unloads the carrier and delivers the shipment to the booth. You discover damage to the wrapped pallet and find that your pop-up case is broken and your monitor is cracked. Did the carrier or the show contractor cause the damage? You file a claim with the show contractor only to discover that they also have limited liability that is stated at 50¢ per pound or \$50 maximum per item. Are you seeing a pattern here? When reading show rules, you could come to the conclusion that the “show contractor is responsible for everything—but liable for almost nothing.”

You *can* request **extra transit insurance** through the **carrier** to cover your exhibit property for the full replacement amount; however, know that there are still **stringent rules** that have to be met in order to collect a claim.

1. Was the damage noted on the bill of lading upon delivery of the property to the show site?
2. Was the item packed in its original container?
3. Is there evidence of external damage causing internal damage?
4. Can proof be ascertained as to who caused the damage? And so on.

Some people look to the display house to cover damage or loss when it occurs. They decide that the exhibit company made the arrangements and, therefore, should be responsible for all parties involved in the transportation network. In reality, that is not an accurate understanding from a legal or practical viewpoint. From a common sense perspective, ask yourself this question: How can an exhibit company be held responsible when they are not in control of the shipment or the shipping process?

The **easiest way to insure exhibit property is through a rider on insurance** that covers your company assets. This rider covers property when it is offsite. Again, please consult with your insurance company to get complete information. You need to tell them the average number of times it will be in transit and the property value.

So, bottom line: **Verify that your business insurance covers special events and related employees.** If necessary, you can purchase a **short term liability insurance** policy for a specific event. When multiple companies are involved in a shipment, it is critical that the insurance needed to **cover property damage** or loss is in place by the property owner. **You are the only one who is able to acquire this type of insurance.**

Michael Gray is the Founder of ExhibitorLounge.com. Exhibitor Lounge was created to provide marketing and event coordinators with practical and proven tips to increase your trade show marketing strategies, to get better results, and to save you money. Exhibitor Lounge is sponsored by Exhibit Edge Incorporated. Exhibit Edge is a full service display house servicing clients nationwide and abroad and is a strategic partner with Blue Goose Exhibits. The Exhibitor Lounge is a free service. Visit www.exhibitorlounge.com to sign up for their weekly video training.

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