Case Study#3: Event Weather Insurance

Commercial Production Weather Insurance

- Before a commercial can hit the airwaves, many people are involved in the decision making process of the commercial production; the client hires an advertising agency, and the advertising agency hires a production company.

- It is the responsibility of the advertising agency and the production company to come up with an agreed upon budget and timeframe for the client. Any delays in production will result in cost overruns which can be negative for all parties involved.

- On January 18th, a production company had scheduled a one day shoot in the Los Angeles area for the hours of 6AM – 6PM. They had a production cost budget of $192,500 for this one day shoot. They knew though, that if 4 or more hours during their production hours were to be wet, they would have to add another day of production and incur another $192,500 in costs.

- A total of 7 hours during that timeframe were reported as wet by the Los Angeles International Airport and HCCS provided the production company with a claim payout equal to the costs of an additional day of production.