



Insurance Explainer for Artists

Things go wrong. This is a fact. You should try and do everything possible to keep things from going wrong, but if they do and the impact to you is or could be financial, you need insurance.

As you proceed in your creative practice, you may also find that someone will require insurance as a condition of working with you. You will need to obtain an appropriate policy and provide a certificate of insurance to the person or company requiring you to have it. They will often ask that they be named as an "additional insured," which means they are specifically covered by name by your policy. Certificates of insurance can only be provided by licensed agents—you cannot send a copy of your policy or your declarations page.

Even if it's not required, you may want to hold insurance anyway to protect you against certain types of risk you may encounter in your practice. It's a small price to pay just in case something goes wrong, particularly if the likelihood of it happening is high.

This document is provided in order to assist you in understanding what types of policies you may need, finding an insurance provider, and getting an affordable policy for your needs.

With any type of insurance, be sure you understand the following terms and how they work with each specific policy you are considering:

- ***premium***, which is the cost to you to hold an insurance policy (for example, \$100 per month or \$600 per year).
- ***deductible***, which is the fixed amount per year or per claim that you as the policy holder will have to pay before the insurance company starts paying (for example, \$250, \$500, \$1,000).
- ***co-pay***, which is the portion of the claimed expense you have to cover before the insurance company covers the rest (for example, a claim of \$2,000 might have a \$100 deductible and a 10% co-pay: this means you pay \$290 [= \$100 + 10% of \$1900] and the company pays \$1,710. Or, you may have a fixed co-pay amount per claim, such as \$50, regardless of the actual expense).
- ***out-of-pocket maximum***, which is the most per year you will have to pay under the policy not counting premiums (for example, \$3,000).

The policies you are offered usually combine different levels of premium, deductible, and co-pay that you will have to assess as to your own personal budget and riskiness. You may be comfortable with lower monthly premiums and higher deductibles and co-pays because you are at low risk, or you may decide the higher monthly premium is worth lower co-pays and deductibles for situations that are more likely to happen. It's up to you.

What kind of insurance should I get?

The different types of insurance that you may need are listed below, in ascending order of the likelihood you will need it.

HEALTH INSURANCE: If you inhabit a body, you will need health insurance. This type of insurance covers you when you're sick or injured, so you can be seen by a doctor or stay in a hospital. It may also get you discounted prescriptions, regular checkups ("well care visits"), dental or vision coverage, maternity care, or vaccinations. It may cover home health workers or even your gas and mileage to see the doctor. Depending on the plan, much of your health care may end up being free to you, or, coverage will significantly reduce the amount you will pay out of pocket. If you are low-income, disabled, or over 65, there are special and affordable (or even free!) health insurance plans for you. Having health insurance when you are young and healthy seems like a waste of money, but trust me—you will be glad you have it when something happens!

- If you are regularly employed, your employer may offer health coverage as a benefit, sometimes free to you (they pay the premiums) and often at a less expensive cost than if you were to buy your own.
- Commercial health insurance plans are offered by nearly every insurance company. Spend time comparing them, as they can be confusing to assess costs, benefits, providers, and terms!
- The Affordable Care Act (ACA) offers low-cost plans because they are heavily subsidized by the federal government based on your income (lower income, higher subsidies). You access them through the health care marketplace. Different plan options are available in different states.
- High-deductible health plans may work if you are young and healthy—they are lower cost, but if you need them, there is a hefty annual minimum that you have to pay before the insurance will start paying.
- Medicaid is a state health insurance plan (partially subsidized by the federal government and partially by the state) available for people with very low income and/or disabilities. Indiana's Medicaid program is called the Healthy Indiana Plan (HIP).

- [Medicare](#) is a federally subsidized insurance plan available if you are 65 or over. Different private insurers offer authorized Medicare plans. Medicare Part A is hospitalization insurance and if you worked for 10 years, there's no monthly premium. Medicare Part B is for doctor visits (except dental and vision) and other health-related services; Medicare Part D is for prescriptions. Both of these will have monthly premiums. Typically you will choose a different plan and provider for each (A, B, and D) depending on your needs. Medicare Part C is also known as "Medicare Advantage," which is a privately-offered plan certified as meeting minimum requirements (but not authorized by the federal government) that combines A, B, and D into a single plan and might throw in other coverages like dental and a gym membership, but with a fairly high monthly premium, higher deductibles, and higher co-pays on your part, as the federal subsidy they receive is lower on these. Compare carefully if you decide to opt for a Medicare Advantage plan.

AUTOMOTIVE: Automotive insurance consists of three elements—[liability](#), which covers loss or damage to third parties; [comprehensive](#), which replaces your car if it's damaged in a circumstance that isn't a motor vehicle accident (such as a tree falling on your car), and [collision](#), which covers losses or damages to you in case of a vehicle accident or crash. If you own a motor vehicle, all states require you to hold some level of automotive insurance. The minimum coverage for each type is set by the state you live in, but you are of course free to add more. In most cases the state minimum automobile insurance policy that you own will be sufficient for what you need to do as an artist, and you may just need to provide a certificate to your client verifying that you have it. The maximum liability coverage for a personal auto policy is typically \$500K.

- If you do not own an automobile, and/or you do not know how to drive, you don't need to worry about this type of insurance. But some clients may require the coverage, and you may be asked to provide a sworn statement that the insurance requirement is not applicable to you for these reasons.
- If you own a vehicle that you ONLY use for your practice, consider getting a commercial auto policy for it. Commercial policies allow coverages in excess of \$500K, and some clients may require \$1M+ in auto liability.

[HOMEOWNERS](#) or [RENTERS](#) INSURANCE: A homeowner's insurance policy covers your personal belongings (clothes, mementos, etc.) , the structure of your home, items on your land (like sheds and trees), and the contents of your home, such as furniture, appliances, rugs, etc. from damage or theft. Renters' insurance covers only your personal belongings, sometimes even when they are not in your rental unit, such as in a storage unit or while traveling. Both usually cover expenses for you to live somewhere else while repairs are made. Some homeowners' policies also cover a certain amount of personal liability, like legal expenses, medical bills, and other damages if you are found legally responsible for an injury to someone on your property or for damaging someone else's property. Claims may be paid either to you or, if liability, to the third party. If you have a home studio, check carefully—some homeowner's

policies expressly exempt a home-based business from coverage. But you can get other coverage for that business, including for the part of the home that you use for it.

LIFE: Life insurance pays your beneficiaries (the people you designate as recipients) money when you die. The intention is to cover immediate expenses (funeral, medical bills, other debts, etc.) and to help mitigate the initial loss of income until your estate can be settled. You make regular payments to keep the policy active, usually adding up to much less than the payout benefit. **Term life insurance** requires monthly payments for a specified time (10 years, 20 years, etc.) and the policy remains in force after the term is over; whereas with **whole life insurance**, you pay each month and if you stop paying, the policy is cancelled and you don't get any benefits. The benefit can be paid out as a lump sum, as regular payments over a period of time, or as interest payments on the principal balance (which can be carried forward to another policy). Examine the terms carefully: there can be exclusions like accidental death, suicide, or risky behaviors (like skydiving or certain occupations), or, for a small extra premium, you can get benefits (such as interest payments) while you are still alive. The key to "winning" with life insurance is to minimize your monthly premium by starting when you're young, and choosing a plan that covers certain expenses (like long-term care) while you are still alive.

PROPERTY: Property (sometimes called "**personal property**") coverage is intended to compensate *you* for damage to your own property: for example, fire, breakage, loss, or theft. Claims are paid to you. You can get additional property coverage outside of your homeowner's or renter's policy, particularly if you have valuable equipment that you store in your home. If you run a business out of your home or maintain a separate facility for your work, homeowner's insurance is unlikely to cover it and they may require you to take out a separate business property insurance policy.

UMBRELLA (also known as excess property coverage): Because policies have coverage limits, umbrella policies kick in when the amount needed to be paid out exceeds the limits of your other insurance policies. Typically you purchase umbrella coverage in multiples of \$1M. This may be necessary to hold if you have high-value assets that are expensive to replace, like specialized equipment or facilities, or customized features of your vehicle (like extra load-bearing capacity).

LIABILITY: Liability coverage protects you against *third-party* claims of damage to people or property resulting from your work. Any claims against this insurance are paid to *the third party*, not to you. This is the most useful type of insurance that covers almost anything you will encounter in your practice, and some clients may require you to have it. If you are required to add someone as an "additional insured," that means you are covering them as well as yourself from third-party claims. The property owner can tell the damaged party to go to your insurance company for relief, not theirs, if the damage is related to your use of their property. Some contracts you sign will have this as a requirement—that you **indemnify** them, which means you take on all the responsibility for claims from third parties.

There are several types of liability insurance you may want or need:

- **COMMERCIAL GENERAL LIABILITY** (aka business liability): This is a “package” of liability coverages that includes not only standard liability, but also products and operations liability, medical liability, advertising liability, etc. It does not cover employment practices, errors and omissions (also called “professional liability”, see below), or worker’s compensation. Any type of business can get it, and a certain base level of coverage is recommended just because you need the coverage. You can increase it temporarily for certain projects or situations, like a tour.
- **PROFESSIONAL LIABILITY**: This is a type of coverage often called “**errors and omissions (E&O)**” insurance (and in the medical field, it’s called “malpractice” insurance). It’s typically required for architects, engineers, doctors, and other professionals that have licensing requirements that guarantee they know what they’re doing. It covers damage from mistakes that you make that as a licensed professional, you shouldn’t be making.
 - Example: you are an engineer and you design a foundation for a sculpture. The sculpture falls over, hurting someone. You as the engineer aren’t liable under standard liability because you didn’t actually build the foundation—the contractor may be strictly liable if they didn’t build it to your specification—but as a licensed professional, if it’s found that the specification was insufficient you could be professionally liable under your E&O policy. [the artist might be liable too, if it’s found that they didn’t build their sculpture to the rated specifications you as the engineer provided to them, but that’s under strict liability, not professional liability]

Visual artists may be asked to provide this type of insurance but when you try to obtain it, you will likely be told the company won’t write you a policy because there’s no such thing as an “art license.” Alternatively, a company may write you a policy, only for you to find out later that they won’t pay off on claims because artists aren’t professionally licensed. **Bottom line**—push back a bit if this type of coverage is a requirement for a job or client.
- **UMBRELLA LIABILITY**: Umbrella (sometimes called “**excess liability**”) coverage is “extra,” in case the claims or damage exceeds stated liability policy limits. Umbrella policy requirements start at \$1M and cost about \$0.01 per \$100 of coverage. If it’s required, that means you may be in a situation where damages are expected to be expensive and the property owner wants to make sure they’re covered.

EVENT (sometimes called “**special event insurance**”): If you only need insurance for one day, for example, the day of a performance or for setting up a sales booth at a fair, this is the insurance you should be looking at. Like commercial general liability, it’s a package of coverages that include cancellation, liability, property damage, and medical claims. And some CGL policies will include event coverage if you routinely stage your own events.

- For event insurance it’s important to distinguish between **PRIVATE events** (where the attendees are invitation-only, such as a party in someone’s home, or a wedding) and

PUBLIC events, where anyone can come if they know about it (such as a concert). Event insurance covers claims from both you and the property owner, as well as third-party claims if it's a private (invitation-only) event. The least expensive event policies will not cover third-party claims for public events, though--but it's possible to purchase extra coverage for **public liability**, or, you can purchase a higher-priced policy that includes public liability in the package. Public liability is likely to be required.

WORKER'S COMPENSATION: If you have regular employees (not independent contractors) working for you, all states require that you maintain worker's compensation insurance for them. You are unlikely to be required to cover yourself, if you own the business or you are a sole proprietor. Most artists hire independent contractors to work for them on a periodic basis and aren't required to maintain worker's compensation insurance for them. Because of these two facts, you are not likely to need this coverage; however, if you are paid for work in the state of Indiana you WILL be asked to provide either evidence of coverage or documentation that you don't need it.

- Different states vary as to how this exemption gets documented: in Indiana, you will need to obtain a [Worker's Compensation Clearance Certificate](#) from the state, which you apply for annually and keep handy to share when asked. The cost is \$20 in guaranteed funds (a bank check or a money order) and a state form to file. It takes several weeks to process this form, so plan accordingly to do this on a regular basis. Unfortunately, if you have any outstanding fees due to the state (for example--unpaid state income taxes, delinquent business filings, or unfulfilled contracts) they will not issue a WC Clearance Certificate to you until those are taken care of.
- It is possible to obtain what is known as a [worker's comp ghost policy](#), which is a minimal-cost (around \$1,000) policy that "covers" your (non-existent) employees, while exempting you. It is essentially a relatively inexpensive way to meet a contract requirement for proof of coverage while not providing any actual coverage. It's super-risky for you because the company will never pay any injury claims, and if there is an audit and they find that you do indeed have employees that aren't covered, you'll get a huge surprise bill plus penalties. Be careful before you decide to take on this type of policy, and only use it as a last resort when the state won't issue you a clearance certificate and a big contract is at stake.

Depending on what your particular practice might be, you may want to add some unusual coverages that are specific to your industry.

- If you do a lot of shipping of high-value items (like a disassembled sculpture or an expensive painting) through third parties, or if you are required to cover your own artwork while it is on exhibit elsewhere (this is rare), you might look at an [Inland Marine policy](#).
- If you rent rehearsal or studio space, you may want to get a [Damage to Premises Rented](#) rider on your commercial general liability policy.
- If your work is particularly subject to disruption due to hacking or malware, you can get [cyber insurance](#).

- If you travel extensively (like going on tour for long periods of time), you will need a [travel insurance policy](#), either continuous or just for the periods you are traveling. It can cover costs of trip interruption, thefts while traveling, medical emergencies, and cancellations by airlines. If your tour gets cancelled after you've booked your travel, having this insurance can get your fares back when other policies won't cover it.

How much will I pay for insurance?

The premium you pay for a policy will vary according to the nature of your work and your facility, the \$ amount of coverage, and the size of deductibles and co-pays. Policies are also priced differently for each policy-holder according to the level of risk the insurance company estimates that you carry: the riskier the project or business, the more you will pay for the same amount of coverage. The number of additional insureds may also increase the premium. Each insurer uses a different method to calculate risk, so it pays to shop around.

How much insurance should I get?

Coverage limits vary according to the policy. Sometimes the person requesting the insurance will require certain coverage limits; otherwise, there are standard levels of package coverage that come with the premium amount. Ask your insurer about what they're offering in their various packages to make sure it matches what you're being required to provide. And don't buy more insurance than you're required to have—you'll be wasting your money.

Most coverage is an [“occurrence”-based policy](#), which means that even if the policy has since expired, if the loss or damage occurred while the policy was active, it will be covered. (the opposite of occurrence-based is “claims-based,” which means that in order for a loss or damage to be covered, the policy has to have been active at the time AND still be active. Try not to get that type of coverage!)

How do I find insurance?

The best advice is to **start with any insurance you may already have**: your auto, homeowner's, or renter's insurance policy. Contact your insurance agent and discuss your needs: they can tell you if your policy covers it already (some homeowner's policies cover a certain amount of liability, for example) or if you need to purchase more. Be specific about how long you need it for, what you will be doing, and where you will be doing it, so you don't over-insure yourself.

- If you are already insured by a company, adding another policy from that company may be less expensive than purchasing it from a different company.

- Sometimes a simple umbrella policy attached to your existing insurance may be enough to cover you.

If you don't already have insurance, you will need to look for a policy.

Artist policies are created specifically to cover the types of situations artists encounter, with a number of different coverages incorporated into the same policy. They can be a little more expensive than a regular policy, but regular policies may not cover all of what you need. Places to look are:

- **ACT (Artist, Crafters, and Tradesman's) Insurance:** <https://www.actinsurance.com>
- **Zinc Artist Insurance:** <https://zinc.prod.authenticinsurance.com/> Zinc is a speciality business insurance company and this policy covers visual artists and "crafters". Link is to their info form pre-loaded with "artist" as the policy type.
- **American Craft Council:** <https://www.associationmembersinsurance.com/acc> To access this insurance you will need to become a member of ACC, which comes with additional benefits. For visual artists, primarily.
- **Art Insurance Now:** <https://www.artinsurancenow.com/> This is a property-only policy covering only physical artwork, but you can add business liability for an additional cost.
- **CODAworx:** <https://sportsinsurance.com/codaworx/> This business liability insurance is designed specifically for visual artists who install commissioned artwork. It does not cover property insurance or claims on your own premises.
- **RLI:** <https://www.rlicorp.com/home-business-insurance-coverage> Offers home business insurance that covers all kinds of home-based businesses, including artists of all types (even performing artists).
- **Trusted Choice:**
<https://www.trustedchoice.com/business-insurance/liability/public-liability-insurance/public-liability-insurance-artists/> This is a public liability policy designed specifically for artists who perform or exhibit in public places.
- **Philadelphia Insurance Companies:**
<https://www.phly.com/products/PerformingArts.aspx> Provides insurance policies designed specifically for performing troupes
- **K and K:** <https://www.kandkinsurance.com> Provides single-day coverage and annual policies for bands and "entertainer" artists, whether they perform at their own event or at someone else's

General policies aren't designed specifically for artists, so you may have difficulty making the agent understand exactly what you do and what you need covered. Large, well-advertised insurance companies may have more experience in general even if the local agent may not have experience with your type of work; check their company websites and review their policies before contacting a local agent so you can inform them that the company does indeed offer what you want. All of the types of policies listed above are offered by nearly every reputable insurance company. Companies like The Hartford, Geico, Progressive, Travelers, Liberty Mutual, Allstate, Nationwide, State Farm, etc. have a lot of local agents and good websites to

learn about what they offer. For auto insurance specifically, the cheapest “state minimum” companies (like The General, etc.) don’t maintain a network of agents and they cannot serve you if you need to provide someone with a certificate of insurance.

Unfortunately, it’s not easy to price-shop for general policies because each company assesses risk differently; the same policy and coverage limits may have wildly different premiums from company to company. You may have to call around and get a lot of estimates, so start your search early.

Here are some additional places to look:

- **Auto-Owner’s Insurance** (<https://www.auto-owners.com/>) has inexpensive policies of all kinds; many independent insurance agents represent this company.
- **USAA** (<https://www.usaa.com/>) is inexpensive insurance for service members and their relatives; they have all kinds of policies.
- **Hiscox** (<https://www.hiscox.com/>) can give you a commercial general liability policy the same day you apply; they specialize in small business clients.
- **Thimble** (<https://www.thimble.com/>) can provide commercial general liability policies for a specific number of days, starting at one day (not in six-month blocks, which is typical); public liability can be added for performances in public places.
- **Insureon** (<https://www.insureon.com/>) is a broker that provides small businesses and sole proprietors with same-day policies including errors/omissions (professional liability) and umbrella; offers worker’s compensation “[ghost policies](#)” as well as innovative bundles such as a “business owner’s policy” (a combination liability+property policy). They work by finding highly specific policies through large companies but with small business needs in mind and at reduced rates.
- [Craft Emergency Relief Fund \(CERF+\)](#) is not an agency, but they have funds and resources to help (primarily visual) artists who have experienced disasters that are keeping them from working. They also offer \$1,000 “Get Ready” grants to help artists prepare for potential emergency situations.

Instant online event policies may be fast and economical, particularly for single-day events, but be careful about what they cover; read the fine print. These policies are usually designed for private, invitation-only events like weddings and may not be appropriate for performances where the general public is invited to watch. But if you are doing a recorded performance without an audience and you need coverage so you can use a space for just one day, this type of policy may be a good option.

Should I try to find an insurance agent?

The insurance company you choose will likely assign you a local agent they employ to handle your business. However, **independent agents** represent a number of different companies and can find you the best combination of price and policy that works for you. They are paid by the

companies whose policies they sell. If you have no idea where to start, an independent agent can likely help. To find an independent agent, check out [the PIA of Indiana's "find an agent" tool](#). You can also ask your friends who they use and if they're satisfied with their independent agent.

More resources

- CERF+ Insurance Guide: <https://cerfplus.org/studio-protector/artist-insurance/>
- GYST (Get Your Sh*t Together) Insurance Guide: <https://www.gyst-ink.com/insurance>
- Invaluable's guide to fine art policies: <https://www.invaluable.com/blog/how-to-insure-art/>
- Daisie Blog's Insurance Guide:
<https://blog.daisie.com/comprehensive-guide-business-insurance-for-artists/>
- Artrepreneur's guide to insurance for visual artists:
<https://artrepreneur.com/journal/art-insurance/>
- Artsy's Artwork Insurance Guide: to insure your personal art collection
<https://www.artsy.net/article/artsy-editorial-artwork-insurance>
- Artist Health Insurance Resource Center (mostly for performers and entertainers):
<https://entertainmentcommunity.org/services-and-programs/artists-health-insurance-resource-center>
- Kentucky Arts Council's "How to Get Ready for Anything" Guide:
<https://artslearningdatabase.org/professional-develop/how-to-get-ready-for-anything-easy-steps-for-artists-and-creatives/>

Good luck! Please contact **Julia Moore**, jmoore@indyarts.org if you are having difficulty finding a policy or the policies you are being offered feel like they are costing too much. The Arts Council may be able to assist you further.