

# Insurance: Points to Ponder

by Ken Roberts



## Business Income: To Protect, or Not To Protect?

It's easy to understand why we would insure our property, contents and even our theatre's liability, but one of the leading reasons why many businesses that have suffered a loss are not able to recover is because they didn't think to insure one of their most important assets . . . *their income*. Business Income protection is an inexpensive addition to the property portion of your insurance package that can keep you going if the theatre is unable to operate due to a loss that is covered by insurance.

Imagine that it is the day before the opening of your theatre's big musical production, and your theatre suffers a fire, rendering the facility inoperable. Most of us operate on a pretty tight season schedule, and depending on how long the venue would be out of commission, you might not be able to reschedule. This leaves you without precious ticket revenue for an indefinite period of

restoration, and there are without a doubt many expenses that will continue even if you're not producing. Your mortgagee or landlord will probably not forgive any debt or rent payments, nor will any of the utility companies stop sending bills. Your expenses might be reduced while you are shut down, but they will certainly not disappear. What about your staff? Will they be expected to seek work elsewhere and then drop everything and come back when you're ready to reopen? These are the types of issues that can be avoided with the purchase of Business Income coverage.

While most insurance companies will add this valuable coverage to your policy at a limit you request, many carriers specializing in theatre insurance automatically provide a minimum amount of business income coverage without any additional charge. These companies

have already realized the significance of protecting our delicate budgets, as well as preserving long-term relationships with their theatre clients. Even if the company you choose doesn't have this coverage built in, the small increase in premium to add it to your policy will be more than offset in the event of a loss.

Having Business Income protection will indeed go a long way towards ensuring the survival of our organizations when disaster strikes. *To Protect or Not to Protect* should never be in question. We all must remember that our income is at least as important to insure as our buildings and theatrical properties, and we should make the decision to protect it the same way.

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For more information about the AACT Insurance Program, contact:

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