

What Now? The Rhode Island and Chicago Fallout

By now we are all familiar with the Rhode Island and Chicago nightclub tragedies and the billion dollars in **L**awsuits that followed. How this could happen and who is to blame is highly debated and will ultimately be decided by attorneys and the courts. One point that is not debatable is that the entertainment industry will be changed forever. To what extent is to be determined, but from my conversations with dozens of entertainment professionals, changes are already taking shape.

Entertainers

1. Contracts with venues, promoters and artist management companies are being reviewed and written to clearly outline roles and responsibilities for every event.
2. Use of pyrotechnics is on hold for the foreseeable future.
3. Once considered an afterthought or a luxury, artist liability insurance is being researched and purchased.
4. Limitations on artist's performances and stage shows are now being reviewed.

Venues

Because they are the easiest targets, venues have been the hardest hit by the media and public.

1. The days following the R.I. fire, thousands of clubs across the country had surprise visits by the city and state code regulators with changes being ordered on the spot and in some cases hit with heavy fines for any violations. Several reported having to remove sound insulation, install extra security lighting, and add fire exits before they could re-open.
2. Contracts with artists and promoters now needed approval of their attorneys before anyone could take the stage or book a date.
3. Increased insurance coverage was being required to protect the artists and management from future claims.
4. Insurance coverage was being reviewed to assure that they would be covered in the event of a tragedy.
5. Insurance companies will be increasing their rates, excluding coverage for pyrotechnics and underwriting accounts more thoroughly.
6. Internal review of the safety procedures and staff quality was immediately addressed.

Artist Management

1. Contracts with their artists, venues and promoters are being rewritten to clearly outline roles and responsibilities.
2. With pending lawsuits from the RI tragedy, insurance coverage is now more important than ever. Many are increasing current coverage.

Promoters

1. More responsibility is being placed on the promoters.
2. Insurance coverage is being scrutinized, requiring increased limits and coverage.
3. Increased and higher quality security is being required.

Clear Channel Effect

It has recently been reported that because of the billion dollar lawsuits from the RI fire filed against Clear Channel Communications, they have implemented sweeping changes with venues, promoters and artists.

1. Clear Channel is increasing insurance coverage and limits that indemnifies CC and all parent companies, subsidiaries, agents, officers and directors from any claims.
2. Contracts are being changed to clearly outline responsibilities and protect CC from any future lawsuits.
3. Clear Channel radio station names are being removed from any print advertising, including printed tickets.

This is just the beginning. **E**vents will be more scrutinized than ever before. But despite this current wave of changes, tragedies and accidents will happen again. On a positive note, the changes and updated procedures will bring safer and higher quality events.

James Chippendale is President of CSI Entertainment Insurance. A National Insurance Management Company that has placed coverage for over 3000 Entertainment Companies worldwide. As a service to **IEBA** members, CSI will provide a complete analysis of your current insurance program, including gaps in coverage and exposures and will recommend any necessary solutions. Please email jc@csicoverage.com or call 800 204 1523 x 118 for more information or questions.