

## Hip-Hop Uncovered

The acts of violence and bad press that have surrounded hip-hop and rap concerts have finally taken a toll. Putting on a rap concert has become virtually impossible for independent promoters because there is no insurance coverage for one-off events in the U.S., according to some insurance agents.

James Chippendale, president of CSI Entertainment Insurance, told POLLSTAR that his company has to turn away calls from promoters because the last underwriters in the country to insure hip-hop shows no longer do.

"As far as I know, there's not a market in the United States writing rap and hip-hop events," Chippendale said. "I've talked to all the biggest entertainment brokers there are and nobody knows of a market."

The last tour he insured was Ludacris when the rapper went on the road with Eminem, but that carrier has since dropped its coverage, he said.

Events by Clear Channel and other powerful promoters can still get coverage under their blanket annual policies, he added, but for a small or mid-sized market, it's not going to happen.

According to Chippendale, if there are shows in the smaller markets, it's his guess they are taking place without insurance coverage or that insurance agents don't sell promoters the best policy. Or, he said, perhaps the events are being covered by the venue's insurance.

"That's a short-term solution," he said, "because once the venue's insurance comes up and [the insurance companies] ask if they got a certificate of insurance for all their events and they say no, then that's going to stop quickly."

Robertson Taylor (North America) Inc. CEO Jeffrey Insler did not agree in lock step with Chippendale.

"The point, in fact, is it's becoming more and more acceptable in regards to hip-hop acts, which underwriters define a little bit differently than rap," Insler told POLLSTAR. "There are insurers who are providing that coverage ... [but some insurance companies] may not have a sufficient volume of business to warrant the

insurers taking their business.

"On the other side of the coin," Insler added, "it is still difficult for a promoter to obtain coverage for himself - his liability exposure - when promoting his show. It is difficult, but it is not impossible."

In fact, Insler said, it's becoming more acceptable to insure rap and hip-hop as underwriters gain experience with them. It's not cheap, he said, but it's possible.

Global Entertainment Insurance Agency's Walter Howell didn't paint as positive a picture. He had just come out of a meeting where an insurance agent had suggested how lucrative insuring hip-hop shows could be if they got coverage.

"But the problem is not what happens at the concerts," he said. "It's what happens outside after the concerts. That's where your losses have been."

But could he insure a one-off performance in a smaller market?

"Probably, yes," he said. "Do I do it? It's too hard to put it together."

Howell mentioned a recent tour by a top-name hip-hop artist that had liability but didn't have workers comp insurance, which he obviously felt was an ill-advised move. Eventually, Howell said, the artist "paid for it."

Julie Coulter, who at press time was resigning her post as VP of Near North Insurance Brokerage to become senior VP of MusicPRO Insurance, laughed in agreement that it was difficult to fund the shows.

"I wish I could say it was only the rap and hip-hop concerts but, yeah, it's next to impossible," she said. "Right now, I don't know of any market that's writing [those shows] either. In fact, since Harbour Ent'ment & Sports Insurance [stopped funding] and everybody's clamped down on writing ... it's almost impossible to find. And, when you find it, it's at an exorbitant rate."

"It's in a very weird place," she added. "I've never had so many problems."

For several months, Chippendale's company has been working on a program to present to underwriters to get insurance for hip-hop shows again. He said it would take several more months to get approval. He offered POLLSTAR a prototype, and restrictions included reserved seating, a strong security presence and metal detectors.

"We're getting a lot of support from everyone," he said. "Nobody's arguing; they're just wanting something (done)."