



**Lower
Manhattan
Cultural
Council**

EMPOWERING ARTISTS,
INVESTED IN COMMUNITY

ART & RESILIENCE

Arts + Insurance: Who, What, When, Where, How and Why Now? – March 2015

TOP FIVE INSURANCE MYTHS

1. I have “an insurance policy”, so I’m all set.

Make sure you understand what is covered by each policy you hold. One of the most common errors people make is to assume what is covered by their policy. The only thing worse than having no insurance is paying for insurance that doesn't cover what you think it does.

2. If there’s a real disaster, FEMA will take care of me.

The FEMA application process is complex. Many of the resources offered are loan-related and may not cover your losses completely. Additionally, FEMA resources only become available when a disaster is declared a Federal Disaster by the government. Lots of things can happen that damage your belongings, but aren't a Federal Disaster.

3. Renters/Homeowners insurance will cover my arts practice.

Unlike the IRS, insurance companies will be quick to deem your artistic activity professional, or business-related. Business-related activity/property is not covered by renters or homeowners insurance and must have its own designated business coverage.

4. Insurance companies will always turn down claims, so I shouldn’t bother buying insurance.

The best way to be prepared is to identify an insurance provider that you trust and that communicates its policies and coverage clearly. Additionally, you must read and understand what your policies will and will not cover. Worried about floods? Talk with your insurer to make sure you're covered for flooding. You may have to take steps to be in compliance in order for the policy to cover you.

5. If I don't tell the insurance company everything I'm doing on my application, I'll get a cheaper rate.

Disclose the full scope of what you plan to undertake when applying for insurance. If you don't disclose all of your activities on your application, that can be considered lying, and the insurance company will have grounds to cancel your coverage or deny claims.