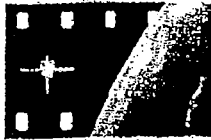




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ENTERTAINMENT BRANDS INTERNATIONAL

The Contingency Insurance Industry is a specialized group of individuals that c with insurance products that usually fall outside of the more easily recognized property, marine, casualty, and financial services departments of most companies. Contingency Products were originally underwritten in the London Market and include; Non Appearance, Cancellation Coverage, Transmission Failure, Prize Indemnity, Contract Bonus, Weather, Moral Turpitude, Redempti and many other esoteric coverages. NACA is represented worldwide and is supported by the respected leadership of the Contingency community. The insurance products and services provided by this industry can and do have jus profound an effect on protecting a clients balance sheet from loss as do many the standard coverage's.

Contingency Definitions

- Prize Indemnity
- Hole In One
- Sweepstakes/Seeded games
- Lotteries
- Sporting Events
- Non Participatory-Sporting Event
- Guessing Games
- Redemption Games / Over
Redemption
- Game Shows
- Web Site Lotteries & Games
- Weather
- Transmission Failure & Preemption
- Event Cancellation
- Non-Appearance
- Political Risk
- Reduction In Yield
- Death and Disgrace

Prize Indemnity

Probably our broadest classes of business, these products, allow clients to insu cash prizes and give away products to their customers through creative promotions. To be insurable, winning the prize must be the result of a fortuito event. Promotions increase revenue, build customer loyalty, and establish bra awareness.

Hole In One

Probably considered the first coverage that many people will state "oh! Hole in One Coverage" rather than Prize Indemnity. Participant's in a golf tournament v an insured prize when they shoot a "hole in one".

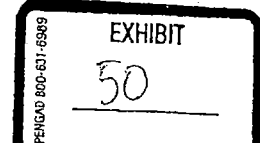
Sweepstakes/Seeded Games

A contest in which game pieces are distributed or sold, an number of winners i seeded in the entire population, and the possible winner is either claimed or chosen in a random drawing. You are insuring the winning token will never be discovered, or that it will not be drawn from the total possible.

Lotteries

Insuring that the grand prize amount offered will not be paid out before it is funded. In some cases, insurance is combined with the contestant's funds, as i coverage will take the form of purchased lottery entries.

<http://www.nacaonline.com/contingency.htm>



Sporting Events

A chosen or randomly chosen person completing some sort of sporting activity such as sinking a half-court basketball shot, kicking a field goal, or hitting a putt through a small hole. Sporting Event coverage is insuring, in most cases, the person's inability to complete the task.

Non Participatory-Sporting Event

A pre-chosen or randomly chosen contestant wins a prize because of the success of a sporting activity of a team or person. Several examples are when racecar drivers win specific races, people break records, and teams win championships. Usually the prize is paid out to a random spectator, should the team or player meet the qualifications.

Guessing Games

A person has the opportunity to guess a known result to win, such as entering a sequence of numbers, or guessing the number of golf balls in a car.

Redemption Games / Over Redemption

A total number of units are sent out, and persons are able to redeem prizes within a specific period of time. You are underwriting the fact that the winner may be lost or that the prizes will not be redeemed in time, such as finding the \$1,000,000 M & M package, finding a winning bottle cap. Over redemption is coverage in which you hope that the insured does not receive more than the expected number of coupons redeemed causing a large monetary burden to the insured. Companies will put out millions of dollars in coupons, such as \$100,000,000, although the actual redemption rate is expected at \$1,000,000. The insured may elect to insure the next \$1 or 2,000,000 just in case their redemption calculation is wrong.

Game Shows

Contestants answer questions; either multiple choice, straight questions, or against other contestants. You are reviewing the expected payouts or the ability of the contestants to be defeated. Examples are television programs such as *Millionaire*, *Greed*, *21* and *Winning Lines*.

Web Site Lotteries & Games

Many of the foregoing are now showing up on the Internet. The overall underwriting review is very much the same except the sheer number of potential entries and the ability to breach security. Products seen have been lotteries, games of chance, redemption games, or choosing sporting outcomes.

Weather

Often used in conjunction with event cancellation coverage, weather policies protect the insured if poor weather occurs during a predetermined day and time. Rain, snow, wind, lightning, or National Weather Service warnings/watches could all be used as circumstances that trigger coverage under these policies. Weather is used in promotions to trigger an event outside the control of the sponsor, which would allow a prize to be won, and/or redemption to occur.

Transmission Failure & Preemption

This coverage protects a client's television advertising dollars or other revenue should the signal be interrupted or preempted. Coverage is structured to cover a specific televised event or period of time. The cause of the interruption must be beyond the control of the insured. This could be segmented or catastrophic coverage. Pre-emption coverage can be within the insured's control if a National Network as long as it is due to a National or International event.

Event Cancellation

This coverage reimburses the client for expenses and/or revenue from concert

conventions, or other special events that must be postponed or curtailed for uncontrollable reasons. Ticket refunds, reduced attendance, and contractual obligations can also be covered.

Non-Appearance

This product provides business income protection to a company if their high profile, revenue/attention-generating performer misses a scheduled event. Per such as accident, sickness, family catastrophe, extortion, and incarceration are included in this cover. The sum insured contemplates the performer's fee and expenses as well as indirect revenue correlated to their appearance, such as ticket sale, parking, concessions, and merchandising.

Political Risk

Coverage for a specific peril that could cause an event to be cancelled. This is often written with event cancellation, however can be written on a specified ba The coverage typically will include abandonment, delay, repatriation and other exposures that are specific to the event that is being covered. This coverage w be rated with limited time available to bind because world events constantly change.

Reduction in Yield

This product protects an organization's bottom line in the event that projected revenue derived from ticket sales or visitors is not reached as a result of a covered peril. Reduction in yield protection is especially valuable for our amusement park, casino, and resort clientele. A 'value per attendee' is agreed upon with the underwriter on an upfront basis, as is the projected attendance. Should the attendance figure fall below the projected level due to a covered pe the policy will respond up to its limit.

Death and Disgrace

Standard definitions of disgrace involve the insured individual committing a criminal act or any other act against public interest and/or the individual committing an offense against public taste or "decency". This provision is typic contained as an "out" clause in most sponsor endorsement agreements. Cover can be secured to protect the revenue that would be otherwise lost should a situation of this nature occur.

A contract could be established to cover the "potential" lost income from a sponsor, contractual obligation of a team or the direct loss of income for an individual/player.

Certain acts are deemed uninsurable, however the wording and structure of a contract can minimize exposure for all parties.

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