



CONTRACTUAL PERFORMANCE INDEMNITY DIRECTOR

Client

A highly successful Hollywood filmmaker, director, and producer in their mid-50s.

Situation

The client was the creative force and brand identity behind a multi-billion-dollar movie franchise. With only a few weeks left in production and post-production, the movie studio faced a significant financial risk if the director were unable to fulfill contractual obligations. Given the complexity of the project and its global distribution plans, ensuring continuity was critical.

Assessment

The studio conducted a risk analysis and determined that if the director became incapacitated due to death or disability, it would suffer a substantial financial loss, including production delays, potential reshoots, marketing setbacks, and lost revenue. The studio needed immediate coverage for a 12-month period to protect against these risks. The policy had to be structured to align with the film's budget, production timeline, and contractual obligations.

Solution

Exceptional Risk Advisors collaborated with the advisor to design a tailored \$25 million contractual performance indemnity policy for the movie studio. The policy provided coverage for the director's death or permanent disability, ensuring that the studio would receive financial compensation if the director were unable to complete the film. The policy was executed swiftly to meet the studio's urgent timeline.

Result

The indemnity coverage gave the movie studio confidence that the project – and the franchise's future – was protected against unforeseen events. With financial security in place, the studio could proceed with production and post-production, knowing that it had mitigated a major risk to its investment.

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