

Prize Indemnity Insurance



Numerous 'free to enter' competitions and promotions are run nowadays

- to boost the public awareness of an event, company or its product; or to
- increase attendance, sales or revenue and capture valuable consumer data.

Prize Indemnity Insurance

A prize indemnity policy allows the promoter or sponsor of a competition to insure the cost of supplying major prizes to any winner. By way of the budgeted premium, the balance sheet is protected from any unnecessary liability.

Typically cover can be offered for:

The types of competition that can be covered are limitless but can include:

Audience participation – where a prize is offered if a randomly selected spectator can fulfil a specified goal:

- A progressive sequence, such as kicking three consecutive conversions from different positions on a rugby pitch
- Scoring a basket from the halfway line of a basketball court
- Kicking a football through a hole in a board covering the goal.

Achievement – promotions, where prizes are offered to an individual for a certain feat:

- A hole-in-one at a specified hole during a golf competition
- Achieving a 147 break in snooker
- A perfect 300 game at 10-pin bowling.

Lottery style – where the main prize is insured and the minor prizes are funded from advertising or entry fee revenue.

Event fulfilment – where prizes are offered if a specified event or occurrence takes place. For example, a refund to purchasers of goods if your country wins the World Cup or if snow falls on Christmas day at an agreed location.

Attendance increasing – competitions, offering the chance to win a prize to all those attending which can also be used for data collection by asking for details prior to entry:

- Open the digital safe and win a prize
- Roll seven sixes or roll lettered die to spell an appropriate brand name

- Win a prize if the last six digits of your telephone number match the digits shown in the retail location
- Selecting one container from many which holds a main prize.

The HSBC advantage

HSBC Insurance Brokers has assisted many event organisers, sponsors, promotions consultants and brokers in the design of competitions and promotions and the placement of prize indemnity using our vast product experience and access to the international marketplace to minimise this risk.

Further information

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For full details of all products and services offered by the Accident, Health and Contingency practice, please visit our website at: <http://www.insurancebrokers.hsbc.com/accident-health-contingency>

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