Browne Jacobson

Insuring a summer of sport

29 August 2024   Lauren Wilkinson

2024 is truly a summer of sport, with various sporting events such as Euro 2024 and the Olympic and Paralympic Games. Due to their size and the number of individuals, animals, vehicles and premises involved, the insurance requirements of such events are novel and complex.

With tournaments and games being held in various places, years apart, it is important for underwriters to consider the unique requirements of each location, developments since the previous event and their relevance to the coverage:

"Each Games takes place in a different environment and country. For Paris 2024, it's the urban character of the Opening Ceremony and the sports competitions which make it unique. For LA28 we may need to factor in the special legal landscape in the United States when it comes to liability or tort." – Jadean, commercial underwriter for Allianz South Africa.

Key covers for such events include:

- Event insurance - for cancellation, postponement and delay surrounding the sporting events, arising from causes such as adverse weather, terrorism and civil commotion. The Olympics saw training sessions cancelled due to pollution in the River Seine, whilst a Euro 2024 game was temporarily suspended due to a thunderstorm.
- Liability insurance – for damage to third party property and bodily injury, including to athletes and attendees.
- Property insurance – for damage to stadiums and arenas.
- Cyber insurance – as the events use online platforms for ticket sales and have significant media coverage, broadcasting and live streaming, the coverage is key to protect against risks such as cyber attacks, data breaches and transmission failure.
- Motor insurance.
- Equine insurance – for horses involved in events such as dressage and show jumping.

Personal accident and medical insurance policies will also be in place during the events, due to the potential for injuries and illness to be suffered by athletes competing in the sports and to other individuals involved throughout the set-up, attendance and general running of the events.

Where an athlete suffers injury, it can have a great impact on their career and lead to a loss of income, medical expenses and other costs. For further protection, some athletes will take out insurance for specific body parts that are critical for competing in their sport, to provide an indemnity where such loss occurs. It has been reported that various athletes have insured their body parts, such as legs, arms, hands and feet. This insurance has also extended to Esports, with Toronto Ultra players having their fingers insured for a million dollars, nicknamed the 'Million Dollar Fingers'.

Insuring high value body parts

Insuring body parts is not limited to sports, with actress and director America Ferrera obtaining smile insurance and model Heidi Klum insuring her legs. It can also be beneficial for certain professions, such as in the medical field, where surgeons may insure their hands.

As the body part cover is bespoke to the individual, there are various complexities for consideration by the underwriters when valuing a body part and any potential losses for insurance purposes, such as:

- the significance of the body part to the individual's profession;

- the individual's predicted career span and current and future income;
- the age of the individual, their lifestyle and the condition of the body part;
- any treatments, surgeries, rehabilitation and therapies surrounding any potential injury, loss or damage to the body part. Considerations will also be made to any relevant advancements in the medical field and the views of medical professionals.

As earnings from high-value professions such as professional sports and acting continue to increase, we are likely to see an increase in the demand for insurance of this nature.

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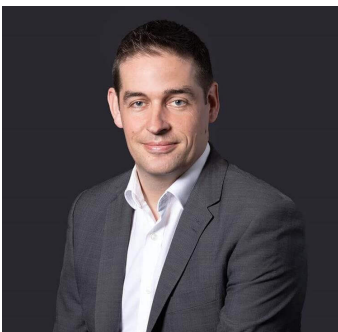
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