

[Sports Insurance on rise in India as large players enter the game](#)



Sports events are gaining more attention with large corporations in the world are pouring in funds to associate. Given the huge financial stakes involved by every stakeholder, sports insurance in the country is now growing. From a cricket match being affected due to bad weather situation to an player getting injured, here's how it works:

The fiscal losses of the unprecedented aspects of sports involve high economic value, which could be adverse, and the same can be shielded by way of insurance

Although Sports insurance is still at its nascent stage and associations are yet to understand its significance, sporting events are now gaining attention and large corporations in the world are pouring in funds to be associated with these events.

At a time like these, given the huge financial stakes involved by every stakeholder in the sports sector, it is becoming increasingly important to ensure that the open risk exposures are adequately covered.

The Sports Insurance market is seeing a steep increase in the values to the extent of almost 2.5 to 3 times more from the former values.

According to Shaista Valji Associate Director – Sports, Alliance Insurance Brokers , this itself translates into higher values of insurance buying which also demands larger insurable capacities to be deployed from the markets.

"Having insured 3000+ cricket matches with over 14+ years of insurance broking in this practice, we have seen a steep growth in this market not only in terms of the financial stakes involved, but also, increase in the number of corporates that are committed to larger budget spends in terms of achieving visibility and branding in the sports space," she added.

How Sports Insurance work and why is it important?

Sports insurance is availed by various stakeholders having a financial interest involved in putting up a sporting event. It is vital for these organizations/corporations to protect their assets with adequate insurance.

These policies are designed to cover amateur and professional players, clubs, groups and associations, and varied organizations in the sports industry.

For e.g., a cricket match can get affected due to adverse weather conditions resulting in multiple stakeholders suffering losses. Any unforeseen situation can lead to cancellation of sporting events too at a global level.

This has more to do with the dynamic nature of the business, wherein, one eventuality could lead to rippling losses. Moreover, the kind of losses are also varied in nature, ranging from weather losses, civil commotion, terrorism, communicable diseases, athlete injuries to name a few, she highlighted.

What are the types of insurance in this sector?

Insurance solutions for the sporting entities can be broadly categorized into –

-Event cancellation insurance: Event cancellation typically protects the financial loss to a stakeholder engaged in the event, arising out of any disruption to the event due to contingencies. It could be loss of advertisement revenues, sponsorship revenues, gate collections, media rights revenues, irrecoverable expenses incurred for putting up the event, etc.

-Athlete related insurance: Athlete related solutions are more to protect the professional athlete from injuries or illnesses, while playing the sport towards their loss of remuneration and medical expenses incurred.

General insurance like liability, physical damage to property pertaining to the event, etc.

"In recent times the demand for such products has increased, and we do get many requests for coverage for sports injuries. Such injuries are obviously covered under health insurance policies; however, they are covered under a personal accident (PA) policy as well," said Bhaskar Nerurkar Head – Health Administration Team Bajaj Allianz General Insurance

Under a PA policy, the company covers death, permanent disabilities, temporary disabilities & hospitalization occurring whilst engaged in any sport, he added.

In the overseas travel segment, Bajaj Allianz General Insurance covered the Indian athletes travelling to International Paralympic events, IPL matches & a host of other such sporting events.

The company also covers Adventure sports if the insured was performing the sport under professional guidance only.

"Off late we have seen a lot of traction for these products, for instance, large trekking groups who go on various expeditions," he added.

The state of Sports Insurance in India

For over decades now, while contingency insurance - event cancellation or athlete related solutions have been the forte of Lloyds markets at large, Indian insurers have also embraced the need for providing solutions to various stakeholders engaged into events in the country and have structured insurance policies around the same.

India, as a country, has evolved over the years in terms of insurance buying for sports events and gradually is picking momentum amongst all the stakeholders.

"Almost a decade back, sporting ventures weren't much aware of Sports insurance, however, today, entities ensure that the cost for insurance is well budgeted and this demonstrates the importance of sports insurance being available in the country," Valji said.

Depending on the risk profile of the event and the capacities involved, insurance policies have been structured combining domestic as well as overseas expertise and the know-how to ensure that the end user is adequately equipped to deal with a contingent situation.

Providers of sports insurance domestically have largely been the public sector insurers for a very long time, however, in the past few years, a few private insurers are also venturing into this class of business and working towards providing solutions around the same, she added.