

Outlook 2025

Entertainment & Sports

Managing risk with comprehensive strategies will help bring the curtain down to a standing ovation.



What to Expect in 2025

Demand for live events will remain strong, boosting sector revenues. However, film and TV production will continue to grapple with new delivery models. Escalating production costs, skilled labor shortages, extreme weather and arduous insurance requirements could further impede profits and resiliency. Businesses that lean into a comprehensive risk management strategy and data-driven benefits plan can be the stars of their own success stories in 2025.

**145
million**

Number of attendees for events sponsored by Live Nation in 2023.

**98
million**

Number of attendees for events sponsored by Live Nation in 2019.¹

1. AP, [“A swift rebound and unprecedented tickets sales for live music after pandemic shut venues down,”](#) April 4, 2024.

The same cast of characters could dampen industry profits, but smart industry players will find ways to prosper.

If 2024 was the Year of the Comeback, then 2025 is poised to be its much-anticipated sequel as the demand for live events continues to drive revenue in the entertainment and sports sector. Worldwide revenues for live events is expected to exceed \$85 billion, and \$96 billion in the next four years.²

Powered by the industry's successful post-pandemic rebound, this trajectory is also coupled with the public's quest for experiences that only live, in-person events and immersive technology can offer. Global entertainment and sports revenues are expected to reach \$3.4 trillion by 2028.³ Live Nation, the parent company of Ticketmaster, reported revenues of \$9.8 billion for the first half of 2024, a 12% increase from the same period in 2023, and expects 10% growth in 2025.^{4,5}

However, threats to profitability loom. Catastrophic weather continues to wreak havoc on live events, causing cancellation insurance premiums to triple.⁶ Another issue affecting profitability is mandatory insurance stipulations to ensure crowd safety management, emergency evacuations and other security protocols.

Elaborate and complex staging, lighting and sound systems escalate production costs to new levels. And the lack of skilled professionals with industry-specific experience and knowledge adds another layer to risk.

Film and TV production find themselves stymied by new distribution channels and an uncertain technological future. An estimated 72% of U.S. households will "cut the

cord" with their traditional cable subscription services by 2026 for on-demand streaming services, such as Netflix, Hulu and Disney+.⁷

Yet forward-thinking entertainment operations can overcome obstacles to profitability with a thoughtful risk management plan, adequate insurance to protect their bottom line and an experienced broker with a proven network of carrier relationships.

2. Statista, "[Event Tickets - Worldwide](#)," March 2024.
3. PwC, "[Seizing growth opportunities in a dynamic ecosystem](#)," July 16, 2024.
4. Live Nation, "[Live Nation Entertainment Reporters Second Quarter 2024 Results](#)," July 30, 2024.
5. Investing.com, "[Earnings call: Live Nation reports growth, optimistic about future venues](#)," July 31, 2024.
6. Billboard, "[Climate Change Has Caused Event Insurance Prices to Triple - and Indie Promoters Are Bearing the Brunt](#)," March 29, 2024.
7. SuperBox, "[Cord Cutter News: Analyze, Forecast Potential and Trends](#)," May 22, 2024.

Finding the right benefits solutions will help calm an unstable labor market.

As workers continue to leave the industry for other fields, the skilled labor shortage will continue to challenge the entertainment and sports sector. The industry faces a deficit of experience and institutional knowledge that is impossible to replace.

Already in short supply, many ancillary workers such as special effects experts, set designers and production accountants left the industry during the 2023 writers and actors strike for opportunities outside entertainment and have not returned to their previous careers.⁸

The fallout from this ongoing shortage has allowed workers to be more selective in choosing their gigs, often demanding several months' notice in advance before agreeing to take a job.

The lack of available talent may be one reason that the industry needs greater productivity from individual employees: 73% of entertainment and sports respondents to the HUB International 2025 Outlook Executive Survey⁹ listed employee productivity as a top HR priority in 2025, higher than any other option. Similarly, the overall cost of medical benefits (65%) and recruiting (56%) were the next-highest listed priorities.

To combat the shortage, entertainment and sports organizations are increasing their focus on employee benefits, including health insurance, [financial wellbeing programs](#) and retirement options. But the benefits needed to attract and retain talent will need to be personalized for individual employees.

For instance, live events crews are often older and aging out of the workforce, having been attached to festivals and entertainers for many years. Younger workers coming into the business are often more attuned to their benefits needs than previous generations. Given the transient nature of the entertainment and sports business, many workers must prepare for interruptions in pay between

gigs and self-fund their retirement, making financial education important.

And with grueling travel schedules and long hours, people in the entertainment and sports industry disproportionately suffer from mental health issues. Performing arts workers are twice as likely to suffer from depression than the rest of the population, while individuals employed in the arts, design, entertainment and sports business have the third-highest rate of suicide compared with other industries.¹⁰

That means entertainment and sports operations need to put a special emphasis on mental wellbeing through benefits. Delivering personalized benefits plans derived using tools like [HUB Workforce Persona Analysis](#) can help organizations find the right mix of benefits that will help optimize recruiting, retention and engagement.

8. Imagine Communications, "[Bridging the skills gap: Addressing the talent shortage in the media and entertainment](#)," June 28, 2024.
9. HUB's Outlook Executive Survey polled 900 C-Suite and VP-level executives on the issues facing them on profitability, employee vitality and organizational resilience.
10. Centers for Disease Control and Prevention, "[Suicide Data and Statistics](#)," accessed September 16, 2024.

Proper preparation against risk will deliver rave reviews for long-term resilience.

The entertainment and sports industry is fraught with risks that can make or break an organization's reputation and bottom line. Tough lessons from the past will motivate entertainment and sports companies to adopt a culture of safety, enhance risk management awareness and improve planning.

Music festivals are particularly susceptible to unpredictable risk and serve as cautionary tales for the entertainment industry. In the past three decades, at least 175 people have died at concerts from deadly stampedes, riots, convective storms and shootings.¹¹

And catastrophic weather, skilled labor shortages and "auxiliary" activities (non-sanctioned ventures outside a live event) result in additional risk and higher insurance premiums. Cancellation, contingency and non-appearance coverage rates will rise as much as 15% in some markets.

There are likely to be higher limits for general liability insurance to counterbalance the growth in scale and use of technology. As events expand and attract larger crowds, premium increases will vary by location and genre. Family entertainment facilities with liquor liability could see rate increases of 25%.

For sports operations, nuclear verdicts will continue to diminish insurer capacity and demand strict underwriting guidelines for abuse and molestation insurance and coverage for concussion and brain-related injuries.

Nuclear verdicts have resulted in reduced limits for umbrella and excess liability and made it more challenging to procure adequate coverage. For example, a venue that previously secured \$50 million in excess liability coverage from a single insurer now needs to acquire policies from four or five carriers to reach that limit.

Case Study

When a music festival became overwhelmed by the number of insurance brokers and underwriters it worked with to procure proper coverage, it turned to HUB to consolidate its risk management. Doing so allowed the music festival to identify holes in its risk profile, obtain better coverage options and improve its risk profile.

Carriers will continue to require comprehensive information on evacuation strategies, crowd safety management, security protocols, ongoing training and background check systems.

A formal enterprise risk management (ERM) process will help mitigate risk and can result in lower insurance premiums, but only 40% of entertainment and sports respondents to the HUB survey reported having a formal ERM process. Partnering with an experienced broker can help jumpstart ERM efforts.

11. Newsweek, "[Music Festival Chaos: Inside the Deadly Risks at Concerts](#)," June 24, 2024.

“Mega-events” bring mega-risk, but sophisticated planning will bring mega-success.

As music festivals and large, multi-day events proliferate, it's not a matter of if but when a crisis will occur.

Live events are competing for limited entertainment spending by increasing the size of events, turning small festivals into “mega-events” that are expensive and risky to produce. In the face of this trend, properly preparing for exposures is imperative and will help organizations not only mitigate losses but also decrease reputational fallout after an incident.

Employee training, robust security protocols for crowd management and safety (including an emergency response plan) are critical for venue owners, event planners and promoters. These protocols are particularly important for large concerts or sporting events with 100,000 or more attendees.

Weather events like convective storms can turn a mega-event into a disaster. Ensuring proper security and safety can be difficult — experienced safety and security professionals have left the industry, taking with them years of industry knowledge and expertise.

However, sophisticated weather modeling, communication strategies and advanced security processes are reducing risk. Live event companies are investing in weather forecasting technologies and embracing new methods to better communicate with staff and attendees to evacuate a space quickly if needed. In fact, nearly 40% of entertainment and sports respondents to the HUB survey are using modeling and forecasting to evaluate the potential impact of anticipated risks.



Other trends include adopting crowd monitoring systems and apps that can identify issues and communicate to both staff and attendees in real time, as well as using facial authentication software to enhance security.

Venues and production firms are also going back to the basics: Designating a point person empowered to cancel an event or evacuate a facility and routinely running tabletop exercises to prepare for all risks.

Navigating Your Next Steps

HUB entertainment and sports insurance specialists will work with you to develop a tailored strategy that will protect the bottom line, support your workforce and build resiliency for 2025. Here are some initial considerations:

1

Develop a comprehensive risk plan.

Making risk management the centerpiece of your organization's culture can help identify exposures and devise the right response in the case of an incident. Work with a broker with deep industry expertise to approach risk strategically and identify gaps in your insurance program.

Entertainment and sports companies are in the midst of a labor shortage, but those with a benefits strategy based on personalization and fostering a [quality employee experience \(QEX\)](#) will boost engagement, have an advantage in recruiting and retaining talent and lower risk. Work with your broker to identify employees' needs to create a personalized benefits strategy.

2

Create a personalized benefits strategy.

3

Rely on your partners in a crisis.

An incident can devastate an organization's reputation. Work with your broker to reduce risks and develop strategies to mitigate exposures. And take advantage of your carrier's expertise if an event occurs — they may be able to assist with legal counsel, crisis management and digital forensics.

Consistent communication with your broker will help identify and mitigate issues in advance of the next renewal and position your organization in the best light. Review exposures and insurance needs at least 90 days prior to policy renewal to allow your broker to find the optimal mix of coverage for your organization's needs.

4

Be transparent with your broker.

Entertainment & Sports Rate Guide – U.S.

HUB International's rate guidance comprises an analysis of proprietary national survey data and interviews with HUB commercial insurance brokers and risk services consultants who specialize in the Entertainment & Sports industry.

On average, rates for middle- to upper-middle-market companies are experiencing rate increases for nearly all coverages as carriers need additional premium to support increased losses and expenses. Below are projections of rate increases that we anticipate in 2025. It's important to discuss your business' exposure with your insurance broker and understand what to expect well in advance of your next renewal.

Coverage	2025 Entertainment & Sports Rate Guide	Insights
Commercial Auto	+5% to 10%	<p>Loss trends are increasing because of distracted driving and social inflation. Rate increases persist to counterbalance rising costs — labor, vehicle replacement (new), and technology-enabled replacement parts.</p> <p>Carriers are scrutinizing exposures specific to coverage for hired and non-owned auto, especially for accounts with claims activity.</p>
General Liability	Flat to +10%	<p>Property-casualty insurance is expected to remain profitable, leading to overall stability in the GL market.</p> <p>Specific to the entertainment sector, insureds are purchasing higher limits to counterbalance the growth in the scale of events and use of technology. Expect rates to vary by genre, location and segment.</p> <p>Facility/family entertainment risks could face rate increases of 15% to 25%, especially pertaining to liquor liability. Exposure to ropes courses, rock climbing or zip courses remains is hard to place.</p>
Workers Compensation	-3% to +3%	<p>Overall, workers' compensation has remained highly profitable, but reinsurers are concerned that the labor shortage could spell trouble ahead.</p> <p>For entertainment risks, the challenge in finding skilled workers persists, creating an underwriting concern and potential impact to premiums.</p> <p>Increased workplace violence and classification of workers as either employees or independent contractors are possible factors in rate changes.</p>
Umbrella & Excess Liability	+10% to 20%	<p>Rates are moderating for most clients and, with more market competition for higher layers, some insureds are even experiencing rate reductions.</p> <p>Festivals and tours that expect to draw large crowd attendance could be required to purchase higher limits, based on contractual obligations to the specific venue.</p>

Entertainment & Sports Rate Guide – U.S.

Coverage	2025 Entertainment & Sports Rate Guide	Insights
General Liability & Excess Liability - National Governing Body & Athletic Associations	+5% to 7% General Liability	Capacity is more restrictive with some carriers being more selective or unable to offer the same level of coverage limits as they historically have.
	+10% to 25% Excess Liability	For Excess Liability, expect higher minimum premiums. Stringent guidelines persist for exposure to Sexual Abuse & Molestation, Concussion, Chronic Traumatic Encephalopathy (CTE), and Traumatic Brain Injury (TBI).
Commercial Property	-5% to +10%	Results reflect market recovery and depend heavily on account metrics (occupancy, business class, loss control, catastrophic exposure, claims history, etc.). Accounts that are being non-renewed by incumbents, particularly single carrier placements, are still seeing less favorable results in the form of larger rate increases and/or increased deductibles and retentions.
Catastrophic Perils	-10% to +5%	While rates in certain geographies are stabilizing for catastrophic perils, there are exceptions, especially for wind and earthquake exposed accounts that have seen drastic run-ups in rates and premiums during the hard market cycle. Carriers remain focused on valuations, driving increased costs for some insurance programs. While there are signs of the market softening with specialty carriers, the standard market is still working to achieve adequate rates on their book.
		Severe and convective storm and wildfire continue to be significant concerns for underwriters and there is also a major focus on the Atlantic Wind Season.
D&O	-10% to +5%	Capacity between carriers for D&O placements remains strong. Underwriters are aggressively cutting premiums, giving automatic renewals and awarding two-year policies to maintain business.
Cyber	-10% to Flat	Premiums for cyber liability insurance are expected to continue to fall. Breaches and outages of significant service providers (i.e., breaches at Change Healthcare and CrowdStrike) haven't led to rate hikes yet but may point to harder market conditions in the first half of 2025.
Event Cancellation, Contingency & Non-Appearance	Flat to +15%	Rate and capacity considerations include weather, climate change, active shooter and civil authority. Carriers are stringent in underwriting not only the actual event but also auxiliary activities surrounding the event.
Production & Film Package	Flat to +5% Less than \$5M budget	Regardless of the production size, expect underwriting scrutiny on overall risk and safety protocols.
	+10% to 25% \$5M budget or more	

Entertainment & Sports Rate Guide – U.S.

Coverage	2025 Entertainment & Sports Rate Guide	Insights
Media Errors & Omissions	Flat to +10%	Carriers are tightening capacity on Media E&O. Underwriters are stringent and judicious as to how capacity is deployed.
Health Insurance	Rates Vary	The market remains hard with no relief in sight as increased utilization persists post pandemic. Many employers are seeking additional benefit offerings that improve access to mental health services, work/life balance, student loan debt and financial wellness support, and creative compensation strategies that benefit the employees without a huge impact to the employers' bottom line.

NOTE: *Rate* is typically defined as the amount of money necessary to cover losses and expenses while providing an insurance company with a profit for a unit of exposure. *Exposure* refers to a business' or individual's susceptibility to various daily risks. Carriers evaluate the level of risk an insured faces in calculating insurance premiums.

HUB Entertainment & Sports

When you partner with us, you're at the center of a vast network of experts who will help you reach your goals. For more information on how to manage your insurance costs, reduce your risk and take care of your employees, talk to a HUB entertainment and sports specialist.

\$305M

in commercial insurance premium brokered by HUB

50,500

insurance policies managed

8,100

entertainment and sports clients

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