

## Event Cancellation Coverage Primer

### Event Cancellation Insurance \*\*

Event Cancellation coverage is meant to protect against revenue lost should an event be canceled. A summary of what is/is not covered can be found in the Risk Management section of the Chapter Toolbox.

- To calculate the cost of the Chapter's event cancellation coverage:
  - Multiply the projected Total Event Revenue by .0033. This will give you the base cost.
  - This coverage is taxable. You will need to add taxes (5% of that premium) to calculate the Total Premium.
    - Example—Total Event Revenue \$50,000 X .0033 = \$165.00 X 5% = \$8.25  
Total Premium \$165.00 + \$8.25 = \$173.25
    - To determine the "Total Event Revenue," either: a) use the prior year's total event revenue, b) use the prior year's total event revenue, plus a reasonable increase (3-5%), or c) use the number you have budgeted for the current year's event.

### The Event Cancellation Policy DOES cover:

Example: Adverse weather, including but not limited to snowstorms/ice storms, hurricanes, tornadoes and flooding

- **Cancellation** - Your inability to open the Event prior to commencement.
- **Abandonment** - Your inability to keep open the Event after its commencement.
- **Curtailement** - Your inability to open or keep open the Event for its original published duration or size.
- **Rescheduling** - The unavoidable postponement of the Event to another time or the unavoidable relocation of the Event to an alternative location.
- **Enforced Reduced Attendance** - The enforced inability of Participants to travel to attend the Event solely and directly as a result of the same specific cause not otherwise excluded below.

### The Event Cancellation Policy does NOT cover:

- Financial Issues – You just didn't make as much as you thought, not as much sponsor money as you hoped for, and/or not enough people bought tickets.
- Poor Planning – You did not make all the necessary arrangements with the venue or the participants, you did not obtain and/or pay all licenses or fees required to hold the event, you knew about circumstances that could threaten the event and did not let the Risk Manager or Carrier know about it ahead of time.
- Weather related cancellation for **Outdoor** events without specific coverage added to the policy.
- Teleconferencing Links – If you cannot get the link to work, that is not a covered loss.

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- Underreporting - You did not report all of your Gross Revenue and Gross Expense estimates (only pays based on reported estimates).
- Reduction in Attendance – Disinclination to Travel or attend the Event (This is different from **Enforced Reduced Attendance** - i.e. School district decides it will not transport students/attendees due to causes not excluded in this policy [snow, ice, etc.]).
- Contractor work – You walk in and find that many of your meeting rooms are torn apart for remodeling AND you did not know the rooms would be unusable until you got there.
- Poor Planning by the Venue – They did not obtain and/or pay fees for required licenses or fees, unless you are unaware of the problem until you arrive to begin your event.
- National Mourning – UNLESS it is a Declared state of National Mourning due to the Death of the President of the United States OR the Declared state of National Mourning first occurs within 7 days from the published start date of the Event or during the published opening day of said Event.

*\*\*Only the actual policy and its terms and conditions can grant, expand, exclude and/or provide coverage.*