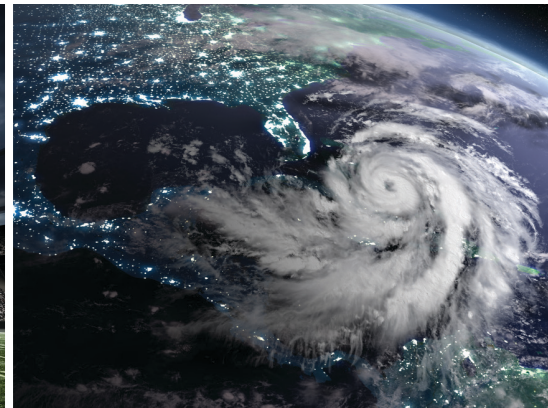


The Arrival of Hurricane – and College Football – Season Underscores the Importance of Having Event-Cancellation Insurance in Place



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The changeover from summer to fall brings with it two things: college football season and, in the Southeast, typically an influx of tropical storm and hurricane activity. As college football fans know, the latter often interrupts the former: the ongoing, widespread destruction caused by Hurricane Harvey recently prompted the University of Houston football team to postpone its season opener against UTSA. LSU and BYU moved their season opener, originally scheduled to take place in Houston's NRG Stadium, to the Mercedes-Benz Superdome, in New Orleans, as well. And now, with Hurricane Irma poised to wreak havoc upon South Florida, the Miami Hurricanes and Florida Gators have cancelled their scheduled games with Arkansas State and Northern Colorado, respectively.

Cancellations of this sort are frequent, especially for games scheduled to take place in the college-football hotbed of the Southeast. For example, last year, Hurricane Matthew forced the University of Florida and LSU to reschedule their game for later

in the season. That same hurricane almost derailed the University of Miami-Florida State matchup, requiring FSU to delay its arrival into Fort Lauderdale, although the teams nonetheless managed to play at Hard Rock Stadium. In 2015, South Carolina and LSU had to move their game from Columbia to Baton Rouge due to flooding from yet another hurricane. The list goes on and on.

The recurring nature of these weather-related cancellations and postponements re-emphasizes the importance of event-cancellation insurance. However, athletic directors aren't the only people who need to think about taking out these policies. Event planners in the hospitality industry should likewise ensure that their organizations have adequate event-cancellation insurance coverage in place to protect amounts paid or lost profits for events such as concerts, conventions, conferences, fairs, festivals, trade shows, weddings or any other events that will take place outdoors or with ticket-paying audiences.

Here are five tips organizations seeking event-cancellation coverage should consider:

- **Custom coverage.** Many event-cancellation insurance policies are “manuscript” policies, meaning that they are tailored to meet the specific needs of the organizations taking them out. That means that organizers seeking to place coverage have options: for instance, they can obtain “first-dollar” coverage, meaning that the policy will provide full coverage for the entire value of the loss, all the way up to the full amount of the policy limits, without a deductible. Event planners can also select a policy with a deductible or self-insured retention, in exchange for a lower premium.
- **Gross revenues or loss of costs and expenses?** Event organizers may also have the option of selecting to insure either the amount of gross revenue they expect to pull in during an event, or the amount of expenses incurred in preparing for the event. The premiums will adjust accordingly. In addition, the policies may offer optional coverages such as coverage for loss of deposits; extra expenses such as publicity about the cancellation or rescheduling; or costs incurred for rescheduling an event.
- **Policy period.** Many events require substantial amounts of “build up” (i.e., for a concert, the installation of the stage, speakers, seating, etc.) and “tear down” (dismantling same). Planners should make sure to select beginning and end dates to ensure coverage for this entire period.
- **Ticket refund policy.** If the weather takes a turn for the worse or things otherwise go awry, event organizers can expect ticketholders to demand refunds. Insurers offering event-cancellation insurance will ask whether planners have a ticket-refund policy and, if not, what procedure(s) they have in place to handle refunds, if the need arises.
- **Statements in the policy application.** Event organizers should carefully review their policy applications and make sure that all of their statements therein are correct, and that they have not omitted any material information. In the event that inclement weather strikes and they need to file a claim for coverage under their policies, their insurers may try to rescind, or withdraw, the policies if the application contains any misrepresentations or omissions, even if made innocently. In particular, organizers can expect to see questions about whether they have had any prior events cancelled or made insurance claims in recent years.

The annual kickoff of college football season serves as a reminder of the importance of securing event-cancellation insurance coverage for all of your organization’s events. Event planners who fail to do so may find themselves without coverage should a hurricane or other inclement weather conditions arise. Hospitality insureds should also be sure to seek advice from knowledgeable insurance coverage counsel and their insurance broker during the application process and at policy procurement in order to ensure the most favorable policy language and maximum coverage available.