

About Event Cancellation Coverage



LLOYD'S

A) Event Cancellation and Non-Appearance Insurance

Event Cancellation Insurance covers for the loss of costs and expenses, or revenues that result from the cancellation, abandonment, postponement, interruption or relocation of an event (in whole or in part) due to uncontrollable circumstances.

B) Why Use Event Cancellation Insurance

The insurance of an organization's physical assets against risk is considered to be essential for any well-run business. Event risks typically fall outside more easily recognized insurance covers, yet coverage for events has just as an acute effect on the balance sheet as that of any other standard coverage.

Considering the time and money it takes to plan an event, the risks to the bottom line are substantial. When disaster strikes, event cancellation insurance protects against the loss of costs and expenses or revenues for a small fraction of that exposure. Event sponsors are generally more approachable when informed that their investment will also be protected.

C) What Event Cancellation Insurance Covers

Event Cancellation insurance protects costs and expenses or revenues associated with an event, such as travel expenses, venue costs, ticket sales, advertising and sponsorship revenues, and more. It often compliments other forms of event insurance such as event liability. Coverage is available for the following perils:

- Inclement Weather
- Natural Catastrophe such as earthquake, flood, fire
- Extra Expenses incurred
- Power Failure
- TV Transmission Failure*
- Public Transport failure or denial of access
- Failure to Vacate the event venue
- Strike risks
- Terrorism or threat of terrorism
- The inability of any person(s) to appear at your event e.g. speakers, teams or performers non-appearance

** Special consideration request and must be clearly identified on the application for coverage.*

D) What Event Cancellation Insurance Does Not Cover

There are certain exclusions for event cancellation coverage. The principal exclusions include:

- Financial failure, insolvency or default; support or withdrawal of support by any party
- Lack of sales, response or attendance
- Variations in exchange rates or currency stability
- Radioactive contamination
- Use of pathogenic or poisonous biological or chemical materials**
- War and civil commotion**
- National mourning**
- Communicable diseases**

** For these exclusions an extension may be available for purchase. We welcome any other requests you do have. Please feel free to contact us to discuss additional coverage.

E) Claims Examples

No matter how well planned the event there are always uncontrollable circumstances that may arise and force cancellation, abandonment, postponement, interruption or relocation of the event (in whole or in part).

The types of incidents which could jeopardize event costs and expenses, or revenues are virtually endless. Claim examples include:

i) Adverse Weather

- Gale force winds cause circus tent to collapse
- Freak hailstorm causes cancellation of speedway event
- Flooding causes grandstand seating to sink
- Fog causes cancellation of ski event
- Heavy rains cause Music Festival venue to be unsafe

ii) Fire Damage

- Fire destroyed exhibition centre
- Bushfire cancels football match

iii) Structure Damage

- Boat show curtailed following partial collapse of temporary pool structure
- Roof collapse causes cancellation of motor show
- Assembly of marquee structure is hindered causing delay in event opening

iv) Utilities Failure

- Power grid supply failure causes shut down of entertainment venues and theatres.
- Water supply failure causes shut down of exhibition
- Denial of Access to event location resulting from a gas leak

v) Other Anomalies

- Performer attacked by audience member
- Jet crash kills pop star resulting in cancellation of tour
- Body found on the 4th green causes Police to restrict access to golf course
- Sprinkler leakage causes flooding and damage to exhibits and venue