

## Cancellation Insurance

Beth Miller-Tipton

Director, University of Florida  
IFAS Office of Conferences & Institutes  
-and-

1<sup>st</sup> Vice President & Program Chair,  
SGMP Central Florida Chapter

EMAIL: bmt@ufl.edu

## Why Do I Need Insurance?

- To insure yourself against ALL unexpected circumstances
- To prevent financial losses
- Peace of mind
- Make sure you get paid

*"If you can't afford the premium,  
you can't afford the loss."*

## What Kind of Insurance is There?

- Hurricane Insurance
- Cancellation Insurance
- Trip Insurance
- Personal Property Insurance

## Hurricane Insurance

- This type of policy only provides hurricane coverage
- Visit Florida offers supplemental insurance to cover costs related to rebooking a meeting that was displaced due to a named hurricane.

## Visit Florida Supplemental Hurricane Insurance

- Sub limit per insured event:  
\$100k-\$200k and varies from 100-500 room nights;
- Available August–October, 2005 - 2007. Meeting move in date must be in one of three covered months.
- Loss due to named hurricanes only.
- Visit Florida Pays Premium.

## Visit Florida Supplemental Hurricane Insurance

- Event must be rescheduled in Florida at same or nearest available venue within 12 months. If the event is not rescheduled there is no claim.
- Coverage will pay for room differential and extra expense of rescheduling event.
- Lost profits are not covered.
- This offer is good for meetings that are designed for business purposes only.

## Event Cancellation Policy

- Expo Plus will insure any event, seminar, meeting or show, regardless of its size
- A policy entails automatic coverage for smaller events under \$50,000 in budgeted gross revenue and/or expenses during the policy period.
- Blanket policies are available for groups of events.
- Worldwide location coverage.
- Terrorism options are available.

## What is Covered?

- Cancellation
- Curtailment
- Postponement
- Abandonment
- Enforced Reduced Attendance
- Non-appearance of principal speaker
- Extra expense
- Penalties for Failure to Vacate
- External Peril

## External Perils

- Adverse weather
- Strikes/labor disputes
- Physical damage to venue
- Power outages
- Terrorism (sub limited by location and time) broader terrorism coverage is available

## What is Not Covered?

- War
- Lack of support
- Lack of attendance
- Financial failure
- SARS

## All Risk Protection

- Expo Plus Policy also includes all-risk protection for:
  - Up to \$150k for personal property going to and from and while at your convention
  - Up to \$125k for theft of on-site registration receipts

## When do You Purchase a Policy?

- Like any policy, you have to purchase event cancellation insurance in advance, not when a hurricane is on its way
- Application has to be approved and the premium has to be paid in full before a perilous event begins

### **How Do You Secure a Policy?**

- Go to the Visit Florida or Expo Plus web site
- Download an application
- Submit application along with estimated budget of what is to be insured (expenses and revenue)
- Process usually takes 2-4 weeks

### **How Much does Cancellation Insurance Cost?**

- Visit Florida pays the premium for hurricane supplemental policy
- Expo Plus charges \$.85/\$1,000 for standard cancellation insurance
- Add \$.25/\$1,000 to purchase terrorism rider

### **How Much Insurance Do You Need?**

- Enough to cover your event-related revenues, expenses and commitments, including profit.
- Look at terms in contracts.
- Advance deposits that won't be refunded
- Airline Tickets for Speakers

### **How to Calculate Coverage**

Add up:

- all expenses incurred & payment commitments
- revenues to be refunded (reg fees, sponsorships) lost profit / excess revenue

Subtract:

- saved expenses (money you didn't have to spend) recovered expenses (refunded deposits)
- = NET LOSS OF REVENUE to be insured

### **Additional Considerations**

- Terrorism riders are extra (add \$.25/\$1,000)
- Rebooking mitigates loss, so they may help you with "added expenses"
- First time events with no history are very difficult to collect on
- Burden of proof is ALWAYS on the insured

### **How Do You Process a Claim?**

- Have your back-up ready
- Detailed budget
- Brochures & web site
- Registration roster
- Sponsorship revenue report
- Sponsorship commitments in WRITING
- Past history, correspondence, etc

## Additional Considerations

- You can lump series of meetings under one policy, but you need a detailed budget for each meeting prepared ahead of time
- Policies are issued for up to two years out
- Premium rate stays in effect for life of policy

## Additional Considerations

- Dates affect premium
- Minimum coverage is \$50,000
- Loss/Benefit Ratio has to make sense
- Shop around
- \$22 billion in insurance claims expected from storms in 2005

## For More Information

### ■ Visit Florida

Tallahassee, Florida

<http://www.visitflorida.com/>

– Information for Travel Professionals

– Cover Your Event (CYE) Insurance

EMAIL: [cye@VISITFLORIDA.org](mailto:cye@VISITFLORIDA.org)

### ■ Expo Plus

Park Ridge, Illinois

PH 1-800-323-2106

EMAIL: [custsvc2@seaburychicago.com](mailto:custsvc2@seaburychicago.com)