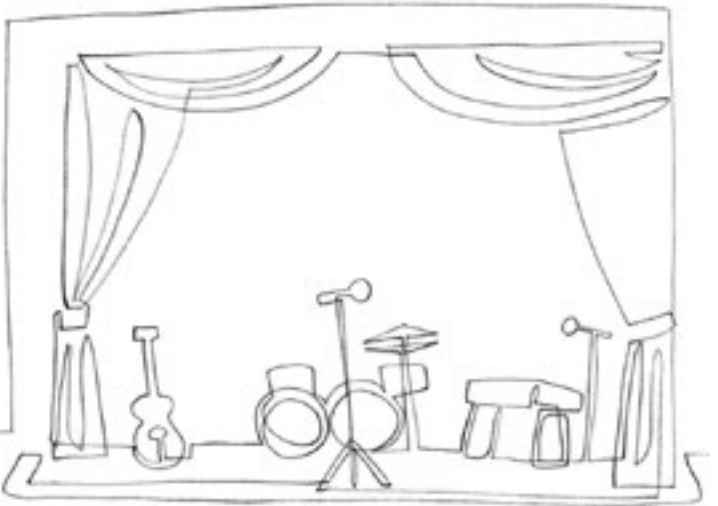


Beazley Insight

When the Show Doesn't Go On: Keeping Cancellation Costs in Check

by Christian Phillips



When the Show Doesn't Go On: Keeping Cancellation Costs in Check

by Christian Phillips

Big name promoters and venues hosting big name stars would not go without cancellation insurance, so why should lesser-known fairs, festivals, sporting venues, public parks and other facilities risk being left “holding the bag” when their performers are a no-show?

From state fairgrounds, to minor league baseball stadiums, to local municipalities, many mid to smaller organizations are capturing additional revenue streams by scheduling concerts and other events to make the most of their venues. But the strategy can backfire when a scheduled performer cannot appear for a number of reasons, such as illness or injury, a family crisis or missed flight. Many of today's in-demand acts – at both national and regional venues – are older performers catering to aging baby boomers – making the chances of health challenges detouring a tour even greater.

When a scheduled artist fails to appear, general managers and event organizers can suffer significant losses, forfeiting income from ticket, concessions, and parking sales. They may have difficulty fulfilling already – contracted expenses, such as money laid out to reserve a facility and hire security and concessionaires.

A Solid Booking for Smaller Venues

While lining up insurance for a performer's “non-appearance” has long been standard for those with the budget to bring in big names like Bon Jovi, Taylor Swift or Jerry Seinfeld, those with lesser known acts at smaller venues, have found their options (and eligibility) extremely limited. That's changing with Beazley Group's non-appearance coverage specifically for acts and venues that have traditionally found coverage elusive.

The coverage gives general managers and event organizers peace of mind as they plan an event – and put out tens of thousands of dollars, banking on a solid return.

Coverage can be structured to fit individual needs and budgets. Beyond non-appearance, it can encompass other contingencies outside of the businesses' control (e.g., event cancellations caused by severe weather, or a local water main break flooding the intended venue).

Who's a candidate?

Many venues organize or promote concerts and other special events that leave them vulnerable to non-appearance and event cancellation losses. Non-appearance and event cancellation coverage is an excellent fit – and a smart cross sell – for a variety of entities, including:

- Fair grounds
- Municipalities
- Beachfront facilities
- Casinos
- Sports stadiums
- Bars

Policyholders can recoup expenses incurred to cancel, as well as reschedule and reproduce their event, such as costs to reprint tickets, rebook staff, and/or secure an alternative venue.

Additionally, many events qualify for coverage that can pay the anticipated net profit or revenues from the event. The policy can be customized to target a single event, or encompass an entire series, such as a summer concert program.

While major event cancellations make headlines, smaller performances are derailed by artist no-shows every day. Now, even if the show is called off, organizers can stay on budget.

Christian Phillips is a Contingency underwriter at Beazley Group.



Christian Phillips

Underwriter

Philadelphia, PA

christian.phillips@beazley.com

The logo for Beazley, featuring the word "beazley" in a lowercase, serif font with a thin horizontal line underneath it.

This article is prepared and edited by Beazley Group, and is published with the understanding that neither it nor the editors or authors is responsible for inaccurate information. The information set forth in this article should not be construed nor relied upon as legal advice and is not intended as a substitute for consultation with counsel. The descriptions contained in this communication are for preliminary informational purposes only. In the admitted market, coverage is provided by Beazley Insurance Company, Inc. The exact coverage afforded by the products described herein is subject to and governed by the terms and conditions of each policy issued and may not be available in all jurisdictions. The publication and delivery of the information contained herein is not intended as a solicitation for the purchase of insurance on any US risk. Beazley USA Services, Inc. is licensed and regulated by insurance regulatory authorities in the respective states of the US and transacts business in the State of California as Beazley Insurance Services (License#: OG55497).