



MJ INSURANCE

SORORITY DIVISION

Cancellation Insurance Coverage for Events

Any scheduled event runs the risk that something will occur that prevents it going ahead; therefore, anyone organizing an event has to consider the financial ramification if the event cannot be held.

In the Greek community there are many different types of events that are held; however, the majority of them are not of a nature where there would be significant financial cost to your organization if they were cancelled.

There are some events that are substantial; the most notable would be the bi-annual Conventions or Leadership Conferences. We are also aware of some alumnae groups who have large fundraising events. These particular events need to be carefully reviewed to determine the economic exposure that exists and your ability to manage them to reduce your potential for economic loss.

Whatever the event may be, there are generally two major exposures to an event being cancelled:

- 1.) the costs and expenses of putting on the event and
- 2.) the anticipated profits that the event is expected to generate.

Not-for-profit organizations are generally more concerned about their expenses in putting on the event. Secondly, we understand that the majority of these large meeting are not designed to generate gross revenues or profits.

There are many reasons why an event would have to be cancelled, postponed, interrupted or relocated and some can be insured against, whereas others are not insurable:

- Venue being damaged or destroyed by a variety of causes such as fire, water damage, wind
- Venue closed due to weather problems
- No access to the venue due to governmental action
- Disease outbreak
- Uncompleted construction on the venue
- Strike risks

Under the National Insurance Policy, each organization has insurance or a form of cancellation insurance, which applies to conventions or leadership workshops with planned attendees of more than 50 participants. If the venue you are using is damaged or destroyed by one of the same perils insured under your insurance policy, there is coverage up to your policy limit for costs and expenses you incur by having to change your plans.

As the typical meetings noted above are generally not intended to generate additional income, we would not recommend the purchase of another Convention Cancellation policy to cover the gross revenue.

It is always prudent that you work with the facility you are using to craft an agreement where disruption to their ability to complete their part of the contract is assumed by them and not your organization.

If you are holding an event other than a Convention or Leadership Workshop and do not want to absorb a financial loss if it gets cancelled, we can provide you with a quotation to consider.