



EXCEPTIONAL RISK ADVISORS

INSURANCE AGAINST THE DEAFENING SILENCE

By Frank Zuccarello

From all of us at Exceptional Risk Advisors, we are thinking of our friends, family and partners across the world as we are impacted by the coronavirus, and its dramatic impact it has on every single one of us. When Paul Simon put pen to paper in 1965 and wrote what is considered to be one of the greatest songs of all time, he was somewhat of a musical Nostradamus. Because 55 years later we are now looking at concert halls, stadiums, sports arenas and other major venues, greeted by nothing but the sounds of silence.

Over the past 60 days, a virus acting like influenza on steroids has traveled all around the world and like some terrible swift sword laid waste to just about every major event in the United States, including the Olympics, major music concerts, conferences big and small, and every major and community sporting event imaginable. It's cleared out 90,000 seat domed stadiums and small-town hockey rinks, crippling the event industry like no other in history.

The silence is deafening, but as we spent the last few days trying to adapt to our new normal, we must first make sure everyone stays safe, and we do our best to flatten the curve. And at the same time, business owners and developers in the insurance and financial industry who are lucky enough to keep business open via technology must still provide a service for those in need. We have to now gear towards what is ahead. In other words, the ultimate wake-up call.

As promoters and event planners face what could be millions of dollars in losses from cancelled events, those who chose not to enlist event cancellation insurance may look ahead to what they can do to better protect themselves next time. There also may be some who tried to save premiums by not buying comprehensive event cancellation insurance, and to be honest, self-insuring the most unlikely of events could be a valid alternative, until that unlikely peril actually happens. Now is not the time to point fingers or unleash "I told you so's." If history is any indicator—and really what else to do we have to use as a measuring stick—even after we wipe coronavirus off the face of this planet, the Next Big Thing will make an appearance.

Now is the time to stress to our clients whose life blood is ticket sales that they have to expect the unexpected, that maybe not normal is the new norm. We have always known that bad weather, civil unrest, even bombs put in pressure cookers, is a real possibility and all had the capability of shutting down an event. And perhaps having the old tried-and-true coverage that covers an event should the headliner catch a disease is no longer adequate in a world where we run the risk of an event catching a disease.

As event planners are learning painful lessons from this medical meltdown, so should we as an industry. We are risk managers, and the definition of that term is fairly easy to understand—we manage risk. Make sure your clients know the importance of securing coverage as far out from an event as possible, and that when choosing coverage, they should expect the unexpected. It's an old saying but worth repeating; the best time to fix a leaky roof is when the sun is shining. But perhaps a better saying is "Expect to pay more than you think it's worth, and then hope you never have to use it."

We have developed and are deploring short term insurance solution for artists who have canceled or postponed their tours, but still need insurance to protect their advance and future livelihood. Similar programs are being deployed on the sports side of our business as well. Feel free to call us and have a conversation of those new opportunities that may be arising.

We are all in this together and together one day soon we will cheer alongside the thousands of event-goers rooting for their favorite team, singing along with their favorite performer, and urging on their favorite runner.

The only thing more contagious than coronavirus is hope. Hope is our immune system when we are faced with adversity. Let your clients know you feel their pain, and that by working together you will both be in a position to weather the next big storm on the horizon.



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