

## EVENT CANCELLATION POLICY

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The Named Insured is the only entity entitled to receive indemnification under this policy. The words "we", "us" and "our" refer to the company providing this insurance. Other words and phrases that appearing in boldface print have special meaning. Refer to Section III. – DEFINITIONS.

In consideration of the payment of the premium by you and in reliance upon the statements in your Application incorporated herein by reference, we agree with you subject to all of the terms, exclusions and conditions of this policy, as follows:

### SECTION I – INSURING AGREEMENT

#### A. EVENT CANCELLATION

We will indemnify you, up to the Limit of Insurance, for your loss as a direct result of **cancellation, abandonment, curtailment, postponement, or relocation** of the **insured event** to which this insurance applies.

#### B. APPLICATION OF COVERAGES:

In order for insurance to apply to Section I, all of the following conditions must be met:

1. the loss must be the direct result of an unexpected cause beyond your control, the control of the organizers of the **insured event**, the control of the attendees or exhibitors at the **insured event**, and the control of your financial supporters;
2. the loss must not be the direct or indirect result of any excluded cause as shown in Section II. –Exclusions of this insurance; and
3. you must comply with all other terms and conditions of this policy.

#### C. CALCULATION OF LOSS:

Subject to the limit of insurance, we will indemnify you for the greater of:

1. The total of **expenses** incurred, less any recoveries obtained, and less **gross revenue** retained after refunds, whether such refunds are contractual or voluntary; or
2. The loss of **gross revenue** (including **gross revenue** returned, whether contractual or voluntary) that would have been received had the **insured event** taken place as originally scheduled, less any recoveries made and **expenses** not incurred.

**D. EXTENSION OF COVERAGE:**

**Extra Expense** – If a loss applies, this policy is extended to include direct and necessary additional **expenses** incurred by you over and above the total costs that would normally have been incurred to conduct the **insured event** in order to continue the normal operations of the **insured event**, subject to prior written approval by us. The Limit of Insurance for this coverage is included in the Limit of Insurance shown in the Declarations. However, in the event the Limit of Insurance is exhausted, we will pay an additional limit, up to \$100,000 or a higher amount if agreed to by us and evidenced by endorsement attached to and forming a part of this Policy.

**SECTION II –EXCLUSIONS**

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

**1. War and Military Action**

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**2. Nuclear Hazard**

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

**3. Terrorism**

Any act of terrorism or threat or fear thereof regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

As used in this exclusion an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat or fear thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Insurance also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism or threat or fear thereof.

**4. Biological / Chemical / Nuclear**

The actual or threatened malicious use of pathogenic or poisonous nuclear, biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

**5. Fraudulent, Dishonest or Criminal Acts**

Any loss resulting from, or arising out of, fraudulent or dishonest or criminal act or acts committed by you or any of your employees and also others to whom property may be entrusted.

This exclusion shall not apply to loss or damage to personal property while such property is in the custody of common carriers.

**6. Financial Failure**

- a. Withdrawal, insufficiency or lack of finance however caused;
- b. The financial failure of any venture;
- c. Lack of adequate receipts, sales or profits of any venture;
- d. Variations in the rate of exchange, rate of interest or stability of any currency;
- e. Financial default, insolvency, or failure to pay any person, firm or corporation.

**7. Lack of Support**

- a. Lack of adequate response, support or withdrawal of such support by any entity;
- b. Lack of, or inadequate attendance or insufficient interest prior to attendance.

**8. Failure to Make Necessary Arrangements**

Your failure to:

- a. make all the preliminary arrangements essential to ensure that a satisfactory **insured event** can be held on the scheduled date. Preliminary arrangements shall include arrangements as a prudent organizer would have made considering the venue size, type of event and the period of time before the open date;
- b. ensure all licenses, visas, permits and authorizations are current for the term of this policy, and that all contractual arrangements have been confirmed in writing; or
- c. observe and comply with all federal, state, or local laws, ordinances and regulations.

**9. Pre-existing Circumstances**

Circumstances existing or threatened at inception of the policy which were known to you or any of your officers, directors, partners, or risk managers as being circumstances that could possibly result in a loss under this policy, unless such circumstances were advised to us in writing by you or any of your officers, directors, partners or risk managers and we agree in writing to accept such circumstances.

## 10. Adverse Weather

Adverse weather, unless you can prove to us that such adverse weather commenced during the Policy Period and involved conditions that:

- a. posed a serious threat to the safety of those individuals attending or setting-up the **insured event**, or
- b. made it physically impossible to use the **venue** due to physical damage of the **venue** or complete inaccessibility to the **venue**.

In order for the exception to this exclusion to apply, you must cover any stage and electrical equipment used in the **insured event** to protect it from such adverse weather.

## 11. Non-Appearance

The non-appearance of any individual or group.

## 12. Breach of Duty of Care

Your lack of care, diligence or prudent behavior, the result of which would increase the risk, and/or likelihood of a loss, hereunder.

## 13. Contract Disputes

Any contractual dispute or breach of a written or verbal contact or agreement by you.

## 14. Material Alterations

Material alterations or variance of **insured event(s)** without the prior approval of us.

## 15. Governmental/Regulatory Violations

Seizure or destruction under quarantine or customs regulations, confiscation, nationalization or requisition or destruction of or damage to property, by or under the order of any government or public or local authority, or the handling of contraband or the engaging in illicit trade or transportation.

## 16. Seepage, Pollution and/or Contamination

Seepage and/or pollution and/or contamination of any kind.

## **SECTION III – DEFINITIONS**

1. **Abandonment** means your inability to keep open the **insured event** during a period subsequent to regularly scheduled date and time of commencement of the **insured event**.
2. **Cancellation** means your inability to commence the **insured event** at the regularly scheduled date and time of commencement of the **insured event**.
3. **Curtailement** means your inability to open or keep open the **insured event** for its original published duration, size or scope.
4. **Expenses** means your costs and charges in organizing, running and providing services for the **insured event**. **Gross revenue** means all monies paid or payable to you from every source arising out of the **insured event**.

5. **Insured event(s)** means the event or events covered by this policy as shown in the Declarations or in the attached schedule of insured events.
6. **Postponement** means the unavoidable deferment of the **insured event** to another time.
7. **Relocation** means the removal of the **insured event** to an alternative **venue**.
8. **Venue** means the location corresponding to the **insured event** where the **insured event** is scheduled to occur as shown in the Declarations.

## **SECTION IV – CONDITIONS**

### **1. Limit of Insurance**

The most we will pay for loss or damage is the applicable Limit of Insurance shown in the Declarations.

### **2. Duties in the Event of a Loss**

You must see that the following are done in the event of covered loss or damage:

- a. Upon the discovery of any event likely to give rise to a claim under this policy you shall give us prompt notice. Include a description of such loss;
- b. You shall at all times do all things necessary to avoid or diminish a loss under this policy;
- c. You shall cooperate with us and, upon our request and expense, shall attend hearings and trials and shall assist in effecting settlements, in securing and giving evidence, in obtaining the attendance of witnesses, in the investigation or settlement of the claim;
- d. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 30 days after our request. We will supply you with the necessary forms;
- e. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

### **3. Concealment, Misrepresentation or Fraud**

This policy is void in the case of fraud by you as it relates to this policy at any time. It is also void if you, at any time, intentionally conceal or misrepresent a material fact concerning, this policy or application, or any proof of loss.

### **4. Subrogation**

We shall be subrogated to your right of recovery from any party, whether before or after payment of a loss, at our sole discretion. In the event of any payment under this policy, we shall be subrogated to the extent of such payment to all of your rights of recovery and the you shall execute all papers required and shall do everything that may be necessary to secure such rights.

## 5. Other Insurance

No other insurance shall be effected by you to protect the interest insured hereunder without our prior written approval. In the event that such other insurance is effected, this insurance shall be excess of such other policy of insurance.

## 6. Premium

As a condition precedent to coverage provided under this policy, the premium must be paid on or before the premium due date shown on the Declarations corresponding each **insured event**. The premium is fully earned as of the commencement date of the **insured event** under the policy and will not be returned by the us.

## 7. Cancellation

This policy may not be cancelled by you or us, except that we may cancel in the event of your failure to pay the premium when due. In the case of such cancellation, all premium previously received by us shall be deemed earned and no return premium shall payable to you.

## 8. Assignment

This policy may not be assigned in whole or in part without our prior written consent.

## 9. Records

You shall keep accurate records containing all relevant information and particulars of the **insured event**. We reserve the right to audit your books and records in the event of a loss.

## 10. Premium Not an Expense

The premium paid on this policy is deemed not to be an **expense** in the assessment of any claim hereunder.

## 11. Salvage and Recoveries

All salvages, recoveries and payments excluding proceeds from subrogation recovered or received subsequent to a loss settlement under this policy shall be applied as if recovered or received prior to the said settlement and shall accrue entirely to us until the sum paid by us has been recovered.

## 12. Conformity to Statute

Terms of this policy in conflict with the written laws of any state in which this policy is issued, which are applicable to this policy, are changed to conform to such laws.

## 13. Territory

This policy covers **insured events** for which the **venue** is located worldwide.

## 14. Obligation to Rearrange

You have an obligation to use your best efforts to rearrange the any **insured event** that has been subject to **cancellation** or **abandonment** in order to mitigate any loss covered hereunder.

## **15. Headings**

Headings used in this policy are for reference purposes only and are not intended to be a part of or to affect the meaning or interpretation of this policy.

## **16. Suit Against the Company**

No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law unless you have complied with all the provisions of this policy and unless commenced suit within twelve (12) months after the loss occurs.

## **17. Service of Suit**

It is agreed that in the event of the failure of the Company hereon to pay any amount claimed to be due hereunder, the Company hereon, at the request of the Assured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States.

Nothing in this Clause constitutes or should be understood to constitute a waiver of the Company's right to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or any State in the United States.

It is further agreed that service of process in such suit may be made upon Houston Casualty Company, Legal Department, 13403 Northwest Freeway, Houston, Texas 77040, U.S.A. and that in any suit instituted against the Company upon this Insurance, the Company will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the Company hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any law process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary hereunder arising out of this Insurance, and hereby designate Houston Casualty Company to whom the said officer is authorized to mail such process or a true copy thereof.