Managing the Commercial Impact of the Coronavirus: Conference and Event Considerations—Cancellations, Postponement and Precautions

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“Depending on their context, countries with #COVID19 community transmission could consider closing schools, cancelling mass gatherings and other measures to reduce exposure.” (~ WHO Director-General, Dr. Tedros Adhanom Ghebreyesus, during a briefing this week)

The coronavirus (provisionally named SARS-CoV-2, with its disease being named COVID-19) has now been documented in more than 100 countries and territories. Over 120,000 cases have now been documented across the globe, resulting in more than 4,000 deaths, with cases outside of China tripling in just the past week. In the United States, there have been more than 1,000 reported cases across at least 23 states, resulting in 29 deaths. The coronavirus has impacted domestic and foreign travel, as the Centers for Disease Control and Prevention has issued a Warning - Level 3 (Avoid Nonessential Travel) for travel to China, Iran, South Korea and Italy, and has issued an Alert - Level 2 (Practice Enhanced Precautions) for travel to Japan. The Italian government has issued a decree to quarantine 17 million people in its northern region, including Milan, Venice and Parma, with exceptions for “proven working needs” allowing some business operations to continue. In addition, many businesses have imposed restrictions on domestic and foreign employee travel. Twitter, Amazon, Salesforce and Nike, in addition to scores of manufacturers and professional service firms, are among the companies banning certain employee travel due to the coronavirus. Many colleges and universities across the globe, including in the United States, have suspended in-person classes and certain events through various dates into April, urging those on campus to practice appropriate “social distancing” in order to stop or slow down the spread of the coronavirus.

As the coronavirus continues to spread, there has been a flurry of recent cancellations across conferences, concerts, festivals, sporting events and other annual gatherings. There have been at least 440 trade shows and exhibitions cancelled in response to the spread of coronavirus, with the number growing each day. In the last two weeks, here are just some examples of high-profile annual events that have been cancelled:

- Switzerland’s 2-week Geneva International Motor Show
- The 10-day South by Southwest (SXSW) music, film and technology conference in Austin, Texas
- Ultra Music Festival in Miami, Florida
- The St. Patrick’s Day Parade in Dublin, Ireland
The coronavirus has had staggering impacts on conferences and other public events across a variety of industries and throughout many countries. As the cancellations amass, here is a list of key considerations and implications raised. Each issue should be reviewed on a case-by-case basis. The following lists some general inquiries to guide companies in decision-making and risk mitigation.

1. Assess Rights Under The Contract(s). Trade associations, conference organizers and sponsors are examining their rights under the applicable contract to determine whether they can successfully cancel without penalty pursuant to a contractual force majeure provision or other cancellation right.

2. Consider Postponement and Related Rights. Some contracts may allow for postponement, which is an option many organizers are considering. Under some contracts, outright cancellation may result in penalties, lost deposits and other losses. Many organizers are choosing to delay events in the hopes that the situation improves in several weeks or months.

3. Policy for Refunds to Attendees. Trade associations, conference organizers and event patrons should consider what the particular refund policy is for the event. Organizers also need to consider how they will disseminate and publicize any information regarding a cancellation, postponement and/or refund right. In addition to any press release or social media posts, the mode of communication to patrons and sponsors should be consistent with the terms applicable to the issuance of the ticket or registration.

4. Policy for Refunds to Sponsors. Organizers and sponsors should examine their contracts and understand their contractual rights. A number of organizers are offering to defer sponsorship to the following year’s annual conference to ensure good will among sponsors and future support for the event.

5. Consultation with Epidemiologist to Assess Risk. Organizers are hiring licensed epidemiologists and other third-party specialists to analyze specific risks based on the location, attendee list, date, and other specifics of their particular conference or event.

6. Business Interruption Insurance. Organizers should closely examine any applicable business interruption insurance policies. Coverage exclusions must be considered in the analysis and organizers should strictly adhere to the policy’s notice requirements.

If the show must go on . . .

7. Waivers for Attendees. For organizers that decide to proceed with events and conferences as planned, requiring waivers from attendees may mitigate the risk of future potential negligence claims. Companies may require waivers from attendees recognizing the risk of attending the public event and potential exposure to any virus.
8. **Affirmative Acknowledgements for Attendees.** Organizers also may require attendees to affirmatively acknowledge that they have not knowingly been exposed to, traveled to suspect areas, or otherwise exhibit symptoms or have family members that exhibit symptoms of the coronavirus.

9. **Extra Health Precautions.** A number of conferences and trade shows have implemented additional health precautions such as handwashing stations, sanitizers, recommendations that attendees refrain from handshakes or other contact when greeting one another, etc. Epidemiologists and other healthcare professionals have additional recommendations regarding layout and protections that can be employed to minimize the risk of virus spread.

10. **Other Insurance.** Trade associations and other organizers should review their general insurance policies to determine coverage in the event that a participant becomes sick and tries to pursue damages under a negligence or other legal theory. Coverage exclusions also should be considered in the analysis.

In summary, it is important for companies to consider their rights and obligations with respect to events and large gatherings, and take additional steps now in order to mitigate their risk of suffering negative impacts from the coronavirus. For more information about this, please contact your Foley relationship partner. For additional web-based resources available to assist you in monitoring the spread of the coronavirus on a global basis, you may visit the [CDC](https://www.cdc.gov) and the [World Health Organization](https://www.who.int).

[Click here](https://www.foley.com/coronavirus-resource-center) for Foley’s Coronavirus Resource Center for insights and resources to support your business during this challenging time.