



VICTOR O.
SCHINNERER
& COMPANY, INC.

BLAME IT ON THE RAIN

THE FACTS

Main City began preparing for a large festival early in the morning. A stage was set up along with sound and lights, including cabling. Vendors arrived to set up a petting zoo, rock wall climbing, bungee jumping and concession stands. The bands were due to arrive in the later part of the afternoon. The gates for admittance were scheduled to open at noon and stay open until midnight.

Around 11 a.m., heavy winds picked up and it began to rain. The downpour and prevailing winds delayed the set up of the sound equipment and some of the vendor exhibits. One of the bands was unable to travel to the city for their performance due to the weather. The rain continued on with no end in sight. The city made the decision to open the gates at noon despite the weather conditions.

In the meantime, the National Weather Service issued a severe weather warning of rain and heavy winds to continue well into the evening. The weather conditions resulted in low attendance along with non-participation by many vendors, including one or more scheduled bands. It created a huge financial impact for Main City well into \$80,000 range.

The City¹ failed to buy weather insurance coverage to protect their financial investment in the festival.

THE RESULT

Main City was required by contract to pay the schedule bands even though they were unable to perform because of the weather conditions. Additionally, the loss of revenue from ticket sales and concession sales were estimated to be upwards of \$60,000.

RISK FACTOR #1

Purchasing the appropriate weather insurance product could have alleviated the resulting loss of revenues experienced because of the bad weather. Weather events can be covered under many scenarios such as specific measurable conditions for rain, wind, temperature, snow or overall adverse weather conditions.

Visit www.schinnerer.com/publicentities for more information or contact a Public Entity underwriter at vos.public@schinnerer.com

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