

September 8, 2022

The Honorable Sherrod Brown

The Honorable Pat Toomey

U.S. Senate Committee on Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

RE: ASAE Written Statement for September 8, 2022 Current Issues in Insurance Hearing. Establishing Pandemic Risk Insurance is Essential to Support Workers and Employers.

Dear Chairman Brown and Ranking Member Toomey:

Thank you for examining current issues in insurance during your committee-wide hearing on September 8, 2022. The American Society of Association Executives (ASAE), which represents thousands of trade and professional associations and is a proud member of the Business Continuity Coalition, urges Congress to establish a public-private pandemic risk insurance program.

Associations, event venues, hospitality providers and the millions of companies and employees they support need pandemic risk insurance to protect jobs and our community's far-reaching economic impact. Associations promote all industries and professions through myriad revenue-generating events, such as conventions, trade shows and business meetings.

Communicable disease coverage for event cancellation was available in February 2020 but is virtually nonexistent today. As a result, associations and other employers have no recourse but to face untenable risk should another pandemic strike.

Associations dedicate an average of 35 percent of their budgets to meetings and events.¹ This commitment supports all 15.7 million Americans who work in the hospitality industry,² which was devastated by the pandemic.

According to ASAE Research Foundation surveys and data reports:

- 15% of associations conduct at least 50 revenue-generating events per year.
- Approximately 0% of organizations that possessed communicable disease coverage for cancelled events before the pandemic can access the same coverage today.
- 70% of surveyed organizations report higher premiums and less coverage.
- Premiums have increased an average of 35% since the pandemic (and with less coverage).
- 60% report using financial reserves to cover losses from cancelled events.
- 13% report insufficient financial reserves to cover losses from cancelled events.
- 92% are concerned about hosting future revenue-generating events.

¹ Professional Convention Management Association. 28th Annual Meetings Markey Survey.

² Bureau of Labor Statistics. <https://www.bls.gov/iag/tgs/iag70.htm>.

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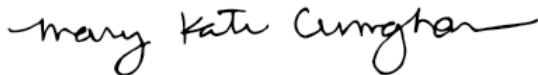
Among 230 surveyed organizations, 550 revenue-generating events were cancelled in 2021, resulting in a loss of \$165 million. These losses account for host organizations only and not for evaporated benefit to local economies. ASAE's Annual Meeting, for example, injects roughly \$16 million into local economies over five days. Its 2018 event produced an additional \$147 million in downstream economic impact within one year.³

Major events are paramount for associations, workers, industries and professions because they:

- Generate funds that organizations rely on to pay staff, support essential services and pursue their missions in public service;
- Facilitate innovation, training, education, and knowledge-sharing to build up businesses and employees that span the economy (particularly amid challenging circumstances);
- Provide for regional, state and federal tax revenues; and
- Collectively generate massive local economic impact (e.g., hotel stays, venue contracts, dining, entertainment, etc.).

Thank you for your service to our country and thoughtful consideration of current issues in insurance. Please contact me at mcunningham@asaecenter.org or 202-626-2787 if you have questions or would like more information.

Sincerely,



Mary Kate Cunningham, CAE
Senior Vice President, Public Policy
American Society of Association Executives

CC:

Members of the U.S. Senate Committee on Banking, Housing and Urban Affairs

³ Choose Chicago (Chicago, Illinois Convention & Visitors Bureau) Economic Reporting.