

July 22, 2021

**The Honorable Robert Menendez**

Chairman, Securities, Insurance, and Investment Subcommittee  
Committee on Banking, Housing, and Urban Affairs  
United States Senate

**The Honorable Tim Scott**

Ranking Member, Securities, Insurance, and Investment Subcommittee  
Committee on Banking, Housing, and Urban Affairs  
United States Senate

**RE: ASAE Support for Business Continuity Coalition Recommended Proposal and Pandemic Risk Event Cancellation Coverage**

Dear Chairman Menendez and Ranking Member Scott:

On behalf of the American Society of Association Executives (ASAE) and its membership of more than 48,000 association executives and industry partners representing 7,400 organizations, thank you for convening the July 22, 2021 hearing to examine pandemic risk and the critical need to cover event cancellation, business interruption and related losses amid a future pandemic or other devastating emergency.

ASAE was honored to join the [Business Continuity Coalition](#) (BCC) steering committee this year. We support its [BCC Recommended Proposal](#) and are grateful for the testimony provided by L. Charles Landgraf on behalf of the Coalition.

Event cancellation coverage is paramount for our community, as major in-person trade shows, conferences and events account for an average of 35 percent of total annual revenue<sup>1</sup> for associations. We exist, fundamentally, to support industries and professions vital to our economy. To continue to fulfill our duty, associations and others need a pandemic risk solution with robust event cancellation to help fully reignite our community's programs, services and far-reaching economic impact. In July 2020, ASAE led a group of [more than 2,000 organizations](#) across the country in support of pandemic risk and event cancellation coverage.

Through major in-person trade shows, conferences and events, associations directly support U.S. economic stability and societal advancement. These meetings, and the industry- and profession-centric education, certifications, workforce development and standard-setting initiatives that accompany them, help build up industries, professions, workers, businesses and communities.

Association and other host-organization events also serve as a boon to local economies. On average, ASAE's annual meeting directly provides an estimated \$16 million to the host city's economy. Further, in August 2018, ASAE convened more than 5,000 professionals at its annual meeting in Chicago – as

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<sup>1</sup> Professional Convention Management Association. 28th Annual Meetings Markey Survey.

of May 2019, this single event produced at least \$147 million in downstream economic impact.<sup>2</sup> Associations help drive the meetings and conventions sector overall, which generates \$330 billion annually in the U.S., according to the Events Industry Council's Meetings Significance Study of 2018.<sup>3</sup>

As the pandemic shut down all major in-person events, associations took an unrelenting financial hit in 2020 and into 2021. According to a December 2020 survey of association executives by ASAE's Research Foundation:

- **52 percent** of respondents reported they laid off and/or furloughed staff;
- **90 percent** reported a financial loss of as much as three-quarters of revenue – just from event cancellations;
- **79 percent** reported no event cancellation coverage in 2020;
- **Only three percent** reported being able to secure future coverage that includes communicable diseases;
- **10 percent** used three-quarters or more of reserves to offset revenue loss; and
- **An additional 10 percent** reported insufficient reserves to offset revenue loss.<sup>4</sup>

Thank you for your invaluable service to our country. ASAE appreciates your consideration of pandemic risk solutions and event cancellation coverage to support associations and their critical impact on the economy. If you or your staff have questions, please contact Mary Kate Cunningham, CAE, senior vice president of public policy for ASAE, at [mcunningham@asaecenter.org](mailto:mcunningham@asaecenter.org) or 202-626-2787.

Sincerely,



Susan Robertson, CAE  
President and CEO  
American Society of Association Executives

CC:

**The Honorable Sherrod Brown**

Chair, Committee on Banking, Housing, and Urban Affairs  
United States Senate

**The Honorable Pat Toomey**

Ranking Member, Committee on Banking, Housing, and Urban Affairs  
United States Senate

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<sup>2</sup> Choose Chicago (Chicago, Illinois Convention & Visitors Bureau) Economic Reporting.

<sup>3</sup> Events Industry Council. Global Economic Significance of Business Events. November 2018.

<sup>4</sup> ASAE Research Foundation Association Impact Snapshot, December 2020.