In November of 2016 we wrote about the potential impact that a government shutdown might have on event cancellation policies. Now that the potential risk of a prolonged shutdown became a reality — and the potential for a second shutdown looms — we revisit our analysis and look at what impact the shutdown may have had on event cancellation policies.

Considerations for Event Cancellation Insurers

The December 2018-January 2019 government shutdown may have implicated event cancellation policies in a number of ways. Although it may be too early for claims to surface, we will explore the various ways in which the shutdown could lead to claims.

Event Venues

When the government shuts down, so do parks, monuments and government buildings. The closure of these venues has a direct impact on music festivals, art fairs, movie shoots and other events scheduled to take place at these sites. This came to fruition during the recent shutdown. For example, the Winter Steam Festival at the Golden Spike National Monument northwest of Ogden, Utah, was cancelled because of the shutdown.[1] While many national parks tried to remain open and provide access, many of the facilities at the parks were forced to close or severely limit access.[2] The Smithsonian and all its museums were also forced to close.[3] These kinds of closures can impact a number of events that may trigger event cancellation policies, including weddings,[4] corporate events,[5] concerts or even fundraising events. The closures also had an impact upon businesses that depend on access to parks. For instance, the company that provides tours to Alcatraz continued its basic tours but had to cancel its “behind the scenes” tours.[6]

Event Attendees, Speakers, Presenters and Exhibitors

Government travel bans during the shutdown no doubt had an impact on conferences, expos, symposia and trade shows that relied on government employees to participate as speakers, exhibitors or attendees. All nonessential federal employees were prohibited from traveling for business during the shutdown.[7] This likely had a dramatic impact on conference attendance.

For example, the American Meteorological Society’s annual conference typically draws hundreds of federal employees, but this year, organizers saw a drastic reduction in attendance as hundreds of federal scientists were forced to change their plans due to the shutdown.[8] The U.S. Department of Homeland Security’s Science and Technology Directorate cancelled its annual cybersecurity showcase, and the Association of Government Accountants has rescheduled its federal financial systems for March 28.[9] The CERSI Innovations in Regulatory Science Summit, a first-time conference for U.S. Food and Drug Administration staffers, academic researcher and companies, was cancelled and organizers are apparently
trying to reschedule the event.[10] Likewise, the Technology and Strategies Protecting Tomorrow’s Travels event was postponed.[11]

While the shutdown is now over, some predict that there will be a lasting impact on conferences because of the long lead time necessary to plan them.[12]

**Sporting Events**

The shutdown also affected college sports as the Air Force Academy cancelled all home and away games during the shutdown.[13] This not only impacted the Air Force Academy, but all of the schools that were scheduled to host the Air Force Academy for home games.[14] While West Point and the Naval Academy continued to play their games, the shutdown impacted coaches who were also federal employees.[15] The shutdown also caused concern for travel to the Super Bowl in Atlanta.[16]

**Travel Impacts**

During the recent shutdown, staffing shortages occurred when Transportation Security Administration personnel and air traffic controllers did not show up for work. These staffing issues had an impact upon security line wait times and the ability of airports to handle the full volume of air traffic, resulting in airport delays.[17] Air traffic at several dozen airports, including at busy hubs like La Guardia and Newark, came to a groundstop as a result of staff shortages.[18]

The inability to travel has an immediate and significant impact on the entertainment industry, among others. For instance, during the shutdown, concerns arose that, because of delayed or cancelled flights, fans would be unable to travel to Atlanta, where this year’s Super Bowl showdown between the New England Patriots and the L.A. Rams was venued.[19] In our original post, we suggested that a government shutdown might have an impact upon international recording artists that cannot get visas. On Jan. 15, 2019, Israeli recording artist Shiri Maimon cancelled her U.S. tour reportedly because of difficulties in getting a visa.[20]

**Conclusion**

While it is too early to know exactly how the government shutdown impacted event cancellation insurance, for the reasons noted above, it is likely that there will be claims that arise from event cancellations. While the shutdown is now over, at least temporarily, it is likely the effects on events will continue past the government’s reopening.

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[6] Id.


[12] Id.


