



“Trade shows seem to be a leading indicator to the economy and both are improving.”

JACK M. BUTTINE

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President, Buttine Exhibition Insurance

PERSPECTIVE:

Insurance provider

OBSERVATIONS:

■ Insurance companies evaluate trade shows on attendance and gross revenue. Buttine says both are increasing for his clients, and that growth is expected to continue. Other observations:

■ Interest in insurance has increased. “Shows are more at risk than organizers realized,” says Buttine. Organizers of smaller shows, developing shows or just a few shows are considering insurance for the first time.

■ The hurricanes, particularly Katrina, have driven this demand. The industry saw that storm damage can extend beyond hurricane season, endangering shows throughout the year. New Orleans cancelled events through April.

■ This knowledge will be reflected in related insurance charges. Shows taking place during hurricane season in storm-prone areas will see their cancellation insurance loads increase; events in these same areas outside of hurricane seasons are likely to see rates rise slightly, with new loads or surcharges added to their basic rates.

■ This time, the insurance industry will be able to absorb the cost of the 2005 hurricane season, according to Buttine. “Unlike 9/11, the industry had been doing well on investments prior to tragic events, so it has the financial stability to absorb these damages,” says Buttine.

As a result, other rates are expected to remain flat or decrease. For instance, companies will band together and form risk-purchasing groups, such as those available through the International Association for Exhibition Management (IAEM), to save money on general liability.

PROGNOSIS:

Expects 4% to 7% overall industry growth.

Reach Jack Buttine at (212) 697-1010 x21
or jmb@buttine.com.