

**ME PRODUCTIONS**

AS PUBLISHED IN:

# Chicago Tribune



March 11, 2003

## With safety unclear, businesses cut trips

By Kathy Bergen

With a U.S.-led invasion of Iraq looking imminent, American corporations and associations are battering down the hatches on business travel.

Trying to protect not only their personnel but the corporate bottom line, some are restricting travel to essential trips and turning to electronic conferencing for less crucial meetings. Others are investing in more sophisticated security measures at larger events.

Also, there are companies and groups like the National Credit Reporting Association Inc. that are looking for cushions, either by delaying bookings, seeking cancellation clauses or buying cancellation insurance.

"Increasingly, corporate travel departments are gearing up for the possibility of a military attack against Iraq by evaluating travel on a case-by-case basis," a recent survey by the National BusinessTravel Association stated.

Thirty percent of companies plan to cut travel to some degree, the survey found, with nearly 26 percent planning to restrict travel to trips deemed absolutely necessary. Another 49 percent are advising employees not to travel to high-risk areas.

M.E. Productions, a Ft. Lauderdale-based event planner whose clients include some Chicago-based incentive houses, is among those that have eased cancellation policies.

Before Sept. 11, 2001, clients who canceled would forfeit deposits that ranged from 50 percent to 80 percent of their anticipated bills, general manager Michael Quatrini said.

Now, it's a more flexible arrangement. "Any out-of-pocket expenses we'll share with the client," Quatrini said.

While cancellation insurance is considered too costly by some, its use appears to be rising significantly.

The American Society of Association Executives sells cancellation insurance that includes terrorism coverage, and it has sold 1,000 such policies to its members, for \$7 million a year in premiums.

That's a sharp rise. Prior to Sept. 11, 2001, it had 388 policies that brought in \$2.5 million a year in premiums.



Mike Quatrini  
General Manager

A possible first-time buyer of cancellation insurance is National Credit Reporting Association, which is being ultracautious in booking its 2003 conference in New York in November.

It wants to be able to cancel or reschedule its hotel bookings without penalty, in the event of war or another terrorist attack, and may purchase event-cancellation insurance for the first time.

And it is doing this footwork much closer to the event than in past years.

"We used to book 1 1/2 to 2 years in advance, but now we're booking in the same year," said Terry Clemans, executive vice president of the association, which is based in west suburban Bloomingdale.

Event security also a concern

Companies and associations hosting events that draw large crowds also are growing more conscious of heightened security at events, Quatrini said.

"Obviously you can't wrap the entire Citrus Bowl in plastic duct tape," he said, "but you can have dogs come through to sniff for bombs, you can have security checkpoints at entrances to check purses, you can make sure a face mask is worn prior to an event."

Some other local firms have made no recent change in policy, having already cut travel aggressively.

"We've already done an awful lot," said David Prichard, spokesman for IMC Global Inc., the Lake Forest-based event company. "In some cases, we're replacing travel with videoconferencing or Web-based meetings," he added.