

February 28, 2020

To: AICP Members

Fr: Matt Miller, President & CEO

Re: Coronavirus Alert

- Planning
- Coordinating
- Getting on the Same Page
- Understanding Insurance
- Indemnifying

As more news develops on an almost hourly basis regarding the spread of the Coronavirus - and its impact globally - there are a few things that all AICP Members should keep in mind when conducting business. While this is obviously a unique and tragic developing situation, there are recognized business policies that have been in place for some time that apply to how you might deal with any disruption to business, which should also apply to issues based on the effects of this pandemic.

The first thing that should always take place when there are unknown and looming threats is that conversations should be had up front with all parties to assess the potential risks of carrying out a project. It goes without saying that the government resources to track the spread of the virus should be monitored for warnings, patterns and spreading cases. <u>Click here</u> for information from the World Health Organization (WHO); and <u>here</u> for the Centers for Disease Control (CDC). Information on travel policies can be found <u>here</u>.

Heightened potential threats should be mitigated at all costs. The marketer and their agency should be in discussions along the way and be part of production plans. This is very important as any direct disruptions will, as a matter of course, be treated as a "force majeure" and the advertiser will assume the liability for such associated costs; most insurance policies will not cover claims caused directly by this type of disruption. In fact, some agency wrap-up policies have already stated that shooting in a country where cases have been identified will be treated as a "pre-existing condition." Therefore, making sure that even normal production coverage will be honored is vital when making plans to shoot anywhere. This should be done with the agency, their wrap-up broker or your insurance broker.

YOU SHOULD FAMILIARIZE YOURSELF AND SHARE WITH YOUR CLIENTS THE AICP NATIONAL GUIDELINES ON CANCELLATION/POSTPONEMENT AND CONTINGENCY DAYS, found by <u>clicking here</u>. If the client is issuing guidelines, make sure that these areas adequately cover these situations.

In light of changing business practices that some might employ and to be crystal clear about expectations, this IMPORTANT document (found by <u>clicking here</u>) created by AICP legal counsel should be attached to production agreements and submitted with bids.

Currently, many U.S. based companies, agencies and marketers are recommending keeping production domestic whenever possible. This is prudent as currently the U.S. seems to have very few reported cases; this of course could change, and you must continue to pay attention to news and official sites.

We will share any further useful information as it develops.

If you have any additional questions please contact Denise Gilmartin, VP, Business Affairs at <u>deniseg@aicp.com</u>.

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