



WeatherBill Case Study

PGA Event: BMW Championship

COMPANY OVERVIEW

Bruno Event Team, an Alabama-based sports marketing and event management company, is experienced in all facets of event management. Employing a year-round staff of more than 60, Bruno Event Team expertly services each of their clients in all aspects of event management, marketing, and operations.

Sean Sovacool, the Senior Vice President of Bruno Event Team's Golf Division, oversees professional golf events for both PGA Tour and USGA events. Prior to joining the company he spent ten years working on professional golf events as Tournament Director. Sovacool's responsibilities include establishing and maintaining vendor relationships, tournament merchandise, and financial management.

CHALLENGE

Rain threatened attendance and merchandise sales

In 2008 Sovacool was charged with managing the PGA Tour's BMW Championship (traditionally known as the Western Open) at Bellerive Country Club in St. Louis, Missouri. The Championship is the oldest "regular" event on the PGA Tour, dating to 1899, and is the third event in the PGA Tour Playoffs for the FedEx Cup.

St. Louis has a rainy reputation when it comes to high-stakes tournaments. During the Boone Valley Classic in 2000 storms caused so much traffic that fans couldn't get to the tournament. In 2004 the U.S. Senior Open at Bellerive lost a day because of rain. When it came time for the 2008 BMW Championship, Sovacool did not want to take a chance on unpredictable weather, especially during an active Hurricane Season.

"We do lots of research on historical weather data before we buy coverage and we had real risk here," says Sovacool. The risk was not reaching projected revenue goals because too much rain would keep the fans away and a steady downpour would cancel the tournament.

"Merchandise is a big part of a tournament's profitability," explains Sovacool. "We have an equation for how much we are going to sell based on our proven ability to drive attendance, which, in turn, drives merchandise sales. We can control attendance but we can't control the weather."

SOLUTION

Weather coverage that pays for daily rain

Sovacool and Bruno Event Team decided to try a new form of weather coverage for the BMW Championship after hearing about WeatherBill through Willis, a leading risk management and insurance brokerage. Sovacool worked with WeatherBill's event coverage experts to create custom rain coverage a month before the tournament.

Starting September 4th, 2008 through September 7th, 2008, the tournament would be paid on each of the four days if total daily rainfall reached 0.25" or more. "One-quarter inch of rain is the measuring point that we feel represents a threshold of whether people attend that day or not," says Sovacool.

The coverage cost \$63,099.00 with a potential total payout of \$750,000. Payout was based on rain measurements taken at the golf course by an independent weather observer. While WeatherBill coverage is typically based on airport weather station data, the company is able to work with independent weather observers.

*On reverse:
Hurricane Gustav hits the tournament*

"Often times it will rain at the course but not the airport and vice-versa," says Sovacool. "Since we are protecting the tournament's sales from the rain, measuring precipitation at the course is the best way. We appreciate WeatherBill for working with us on the on-site specifics."

WeatherBill also accommodated Bruno Event Team by assigning different amounts of payout for different days. If it rained .25" or more on September 4th they would receive \$150,000. If it rained .25" or more on the 5th-7th they would be paid \$200,000 for each day. "We determined the financial risk for each day because each day of the tournament is unique," Sovacool explains. "We set the potential payout based on our sales history and the expected attendance."

Bruno event team has a line item for weather coverage in many events that they manage. They have used weather insurance in the past for five or six championships, according to Sovacool. "No one wants to get paid for rain. That means your profit was jeopardized," explains Sovacool. "When we take out this coverage we are protecting ourselves against financial loss and creating peace of mind from unpredictable weather. We're not trying to gamble on an additional opportunity."

RESULTS

\$150,000 payout for record rainfall

While New Orleans was largely spared by Hurricane Gustav in September of 2008, the BMW Championship was not so lucky. Bellerive is far from the Gulf Coast but not far enough to avoid the migrating storm. On Thursday, September 4th, the first round of the BMW Championship was rained out. More than three inches of rain fell, making it the wettest day in the history of the tournament.

Bellerive was "under water", according to the VP of rules and competition for the PGA Tour. "It's as bad as I've seen in a long time," Slugger White told the Associated Press, adding that the creeks that ran along the course had turned into "rivers."

The coverage was automatically settled for \$150,000.00 the day after the contract period ended. Bruno Event Team received their payout in five business days without any hassle.

"WeatherBill was professional, transparent, and the payout came quickly," says Sovacool. "I guarantee the next time we need weather coverage we will work with WeatherBill."

About WeatherBill, Inc.

WeatherBill offers the first online service to help individual businesses, large or small, protect revenue and control costs from bad weather. WeatherBill provides affordable weather protection customers can design and purchase in minutes. There is no underwriting, claims process, or proof of loss. WeatherBill's flexible coverage can protect a year, season, weekend or a day from rain, drought, heat, cold or snow. Funds are held in trust for immediate availability, backed by Nephila Capital, a leading catastrophe reinsurance and weather risk fund manager.

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