

Five Steps for Drafting an Effective “Extenuating Circumstances” Cancellation Policy

“As local and national regulations seek to ‘lower the curve’ of infections of the COVID-19 illness, they have forestalled a host of consumer transactions, most notably those regarding travel, hospitality, and community events,” writes Spencer M. Rubin in Bryan Cave Leighton Paisner’s *Insights*.

“Even if such regulations do not absolutely prohibit the fulfillment of those transactions, companies must confront the fact that consumers will still want to cancel them for the health and safety reasons. When this happens, companies’ standard cancellation policies or then-effective termination or force majeure clauses in their consumer contracts are likely insufficient to deal with the high consumer demand for contract cancellations. Therefore, companies should consider being prepared to enact ‘extenuating circumstances’ cancellation policies (‘ECCPs’) to excuse performance under existing consumer contracts.”

Read the five steps for drafting effective ECCPs.

Read the article.