MEETING ESCROW

Case Study: U.S. Insurance Company Requires Protection for Supplier Advance Deposits

CLIENT



A major U.S. insurance company whose multiple divisions organize meetings and incentives domestically and internationally.

CHALLENGE

Hotels, Destination Management Companies and other suppliers typically require a series of advance deposits to guarantee future services. Unfortunately, because the USD 1.5 trillion-dollar global events industry is highly unregulated, suppliers are not required to hold client deposits in separate trust accounts.

Our client experienced first-hand the risks involved with this practice when their key supplier in a resort location closed its doors just days before their corporate event was to start. The vendor had received 100% of the contract value in advance, resulting in a loss for the client in addition to the stress of having to replace all of the missing program components.

SOLUTION & OUTCOMES

By engaging Meeting Escrow, an independent provider of secure payment, foreign currency budget protection and deposit escrow solutions for the meetings industry worldwide, the client was able to change their procedure for advance deposits and avoid future financial risk exposure.

The client sends their advance deposits to Meeting Escrow in Trust which holds the funds in a separate escrow trust account on behalf of the client and vendor. Funds are released to the vendor upon program delivery, or in the case of DMCs, as funds are required to pay sub-vendors.

Escrow trust accounts are available in 20 different currencies, especially helpful when organizing international programs where currency fluctuations present an additional financial risk.

All parties receive copies of the monthly bank trust account statements for 100% transparency and security.

Meeting Escrow successfully fulfilled its mandate to help the client reduce financial risk for deposits paid in advance to suppliers anywhere in the world.

How the solution works:

