

Q. What is the purpose of the scheme?

- A. The U.K Live Events Reinsurance Scheme is a cost indemnification scheme which makes it possible to buy insurance against the risk that a planned U.K based event is unable to proceed due to new Covid restrictions in the U.K.

Q. How does the scheme work?

- A. Insurers can apply to sign up to the scheme. If they are accepted onto the scheme, certain insurance policies those insurers provide will be covered by the scheme, and the government will cover certain of the insurers' losses if the insurer pays out under the insurance due to certain COVID restrictions being introduced within the U.K. Anyone wanting to purchase this kind of insurance in relation to a U.K based event should therefore speak to their insurer or broker.

Q. Can I buy insurance only in relation to Covid under the scheme?

- A. No – in order for the Covid cover provided by the insurer to be covered by the scheme, the insured also needs to have non-Covid cover (at least in part from an insurer taking part in the scheme).

Q. Where can I find the scheme rules?

- A. The scheme rules are located on the following link - <https://www.gov.uk/government/publications/live-events-reinsurance-scheme>

Q. When will the scheme run from and until?

- A. The Scheme launched on 22 September 2021 and will run until 30 September 2022 with a review point in H1 Spring 2022.

Q. If my event is postponed until after 30 September 2022 will it still be eligible under the scheme?

- A. If the event was originally scheduled to take place within the scheme duration it will be eligible, as long as cover was taken out for the original event.

Q. When do I have to purchase insurance for my event?

- A. Cover must be purchased at least 8 weeks prior to the event (or first insured event of a series of events) taking place. This requirement will however not apply for the first 12 weeks of the scheme. All costs related to the event can be claimed, even if these costs were incurred before the date when the policy is purchased.

Q. What insurers are participating in the scheme?

- A. Insurers Munich Re, Beazley, Arch, Dale, and Ark are carriers of the scheme with more firms coming on board in the weeks to come.

Q. What if, prior to this announcement, I took out non-Covid cover from an insurer who is not taking part in the scheme? Will I have to cancel and switch my policy?

- A. In order for an insurer to be able to offer Covid cover under the scheme, the non-Covid cover must be taken in part by an insurer participating in the scheme. If your insurer is not participating in the scheme and is not separately offering Covid cover, you can encourage the insurer to join the scheme.

Q. Who can buy insurance which is covered by the scheme?

- A. Anyone who would typically purchase standard non-covid contingency cover (protecting against the perils of cancellation, postponement, relocation or abandonment) for an event can purchase insurance which is covered by the scheme (this could include artists or supply chain organisations involved in the event). The terms of the scheme provide that Losses irrevocably incurred by an entity, partnership or sole trader in connection with an Eligible Event are covered.

Q. What type of event does the scheme cover?

- A. The scheme will cover live events that are open to the general public and are physically located in the UK. This includes live music events, festivals, sports events, trade shows and business events. It also covers events such as AGMs, award shows and showcases, corporate events (as long as it is for a bona fide business purpose), graduation events. Private events such as weddings and parties would not be covered.

Q. Will the scheme cover losses incurred due to Covid restrictions such as isolation or social distancing?

- A. No. The scheme will not cover loss of revenue or event cancellation prompted by lower demand for tickets or venue capacity. The scheme does not cover self-isolation of staff or performers.

Q. Will events that have received funding for the Cultural Recovery Fund (CRF) be eligible for this Scheme?

A. It is not possible to claim insurance and HMG support for the same costs. Any HMG grant which was specifically designed to cover the costs incurred in putting on an event which ultimately [fell within a lockdown / did not proceed due to Covid restrictions] and had to be cancelled or postponed would be deductible from an insurance pay-out. A more general government grant that all Live Events would have access to would not be deductible from an insurance pay-out. Any repayable HMG loan would not be deductible from an insurance pay-out.

Q. What is the premium to enter the scheme?

A. Premium is set at 5% of the total value of insured costs (plus Insurance Premium Tax).

Q. What is the maximum amount I can claim for?

A. This will depend on your individual policy with the insurer. The limit is restricted by the total limit purchased on the non-covid cover. Claims cannot exceed the total cost of the event.

Q. Am I covered for losses abroad?

A. No, the scheme is for events held in the UK only.

Q. Is there an excess for the scheme?

A. Claims will be subject to an excess of 5% of the value of the insured costs or £1,000 (whichever is higher) per policy. When cover is taken out on a series of linked events, the excess will be applied on the policy as a whole.

Q. Will brokerage fees be covered by the scheme?

A. The government's expectation is that participating insurers will pay no brokerage in connection with the scheme. No deductions for such brokerage will be made to any premiums paid by insurers to DCMS in connection with the scheme. However whilst discouraged, there is no legal restriction on brokers charging a fee for their services.

Q. What costs incurred are covered?

A. Policyholders can claim for all costs incurred (providing they purchase 8 weeks in advance of their event). For the first 12 weeks after the scheme launch the 8 weeks in advance does not apply.

Q. Will the scheme respond to actions imposed by a local authority?

A. If the Local Authority, acting within its legal powers, cancels an event due to Covid related public health concerns then this claim will be covered. The LA action must be published or formally issued in writing to the insured or the event organiser, as per the scheme rules.

Q. Can the sum insured be 'floating' across a number of events?

A. No. you will need to register a specific sum insured against each event requiring cover under the scheme. Any claim relating to that event cannot exceed the relevant sum insured.

Q. Will the scheme respond if performers outside of the UK are unable to gain entry due to travel restrictions imposed by the UK Government?

A. No. Scheme does not respond to non-appearance of performers or artists.

Q. How does the policyholder credit the support provided by the Live Events Reinsurance Scheme?

A. A graphic has been supplied to participating insurers so the insured event can credit the scheme as appropriate (e.g. tickets, written communications to ticket holders, websites or other promotional material).

Q. Is the scheme subject to an Average Condition?

A. No, there is no average condition. The scheme does not include a requirement that a minimum amount of Covid cover must be purchased for an event. Therefore, the amount of cover purchased may be less than the costs of the event.

Q. Does a non-covid cancellation policy which is only triggered by an act of terrorism count as materially similar coverage and so oblige an ECI to offer a Scheme policy?

A. No. A non-Covid cancellation policy which is only triggered by an act of terrorism would not oblige an insurer to offer a scheme policy.

Q. Does a non-covid cancellation policy which is only triggered by adverse weather count as materially similar coverage and so oblige an ECI to offer a Scheme policy?

A. Yes. A Non-Covid cancellation policy which is only triggered by adverse weather would trigger the obligation to offer a scheme policy

Q. What if only one insurer is willing to cover a proportion, but in whole, for an eligible event and other insurers aren't willing to cover the remaining exposure?

A. The Scheme Rules are clear that a participating insurer offering non-Covid cover must offer Covid cover. The main restriction is that non-Covid cover is not less than Covid cover but there is no requirement that the eligible insurer only offers the same capacity on the Covid policy as they have offered on the non-Covid policy. Rule 12.1 is a requirement to act in a way that reflects the objectives of the Scheme. We encourage the insurers to work constructively with the insurer to enable events to secure the required cover.

Q. Are Government entities eligible to purchase cover for an event they are organising under the Scheme?

A. Yes. Government entities can purchase cover.

Q. Do Eligible Insurers undertake Sanctions checks or can this be done by Event Organisers insurance broker?

A. We defer to the insurer's existing sanctions process, which may include use of a sanctions clause. If the insurer relies on the broker then that is acceptable (although note strict liability for sanctions breaches).

Q. Can you confirm whether the coverage has to be bound 1) before the event opens to the public, or 2) before clients begin setup (which is technically when the larger expenses would begin)?

A. Other than policies issued in the first 12 weeks after the 22 September 2021, the cover needs to be in place at least 8 weeks before the event is "scheduled to occur" (i.e. the date it is open to the public / attendees). See Rule 7.8(l).

Q. Can Covid policy be cancelled? If yes, is a refund due following cancellation of cover?

A. Covid cover can be cancelled after having been taken out, although once cancelled cannot be reinsured by the Scheme. No premium would be returned by HMG upon cancellation. Whether an insurer returns premium to the insured depends on their arrangement.

Q. Can we claim under the insurance for events which are not cancelled?

A. According to the facts provided, the events that are not directly cancelled by lockdowns will not be covered by the scheme

Q. Can the insurance premiums be covered as a cost?

A. Insurance premiums are not recoverable under the scheme.

Q. All the admin for the event is wrapped up in general business costs – could any of these costs be covered?

A. This depends on the individual insurance contract in place and the relevant insurer's claims handling process. Our understanding from market participants is that their expectation is that if these costs are "irrevocably expended by the Insured in connection with an Insured Event" (the wording in the form of model policy) they can be covered by the insurance.

Q. There is a lockdown during the crucial preparation period (underway now until the start of the build), but lockdown is eased for the event dates. The event would not be able to go ahead as planned but possible in theory with additional staff resources. There is a huge gap in availability of event staff and it would be unlikely that we could source the additional resources required at such short notice. would the policy cover this?

A. If a lockdown happens during the preparation period, meaning the event can't go ahead, and the organiser cancels or postpones, that would be covered by the scheme. It is not the case that the lockdown must cover the event date. However, if cover is purchased at a time when it is known that a lockdown will be in force which will prohibit the event from going ahead then any costs incurred (including during the lockdown period) would not be covered. See the definition of, "Insured Risks", which refers to new / amended restrictions after the inception of the policy; and the definition of "Excluded Losses" which may also be relevant.

Q. An event is scheduled to run for 19 days – is this OK to get covered for this duration and if cancelled halfway through is any payment pro-rated or is it still cost based? i.e. if cancelled halfway through , we would still have incurred 100% of all the build, storage, transport, admin and equipment purchase as well as all the de-rig costs.

A. This is up to the insurance policy and claims handling process of the insurer. As to whether, if covered by the insurer, these would be covered by the scheme: for a run of linked events "Losses" must be determined on an event-by-event basis. For a single event occurring over a period of days we would expect claims to follow the insurers claims handling practice to determine what costs have been irrevocably expended (including what can be recovered).

Q. Does the definition of UK Civil Authority include Public Health Authorities?

A. The wording in the Scheme Rules correctly identifies those authorities with the powers to make COVID restrictions.

Q. Who can I contact to request information on how to get a quote for a policy through this scheme?

A. You can contact brokers that have provided you with contingency cover in the past. Alternatively, please contact the London & International Insurance Brokers Association at enquiries@liiba.co.uk or the British Association of Insurance Brokers at enquiries@biba.org.uk. Both organisations will be able to assist.