

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 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. 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, Hiscox, 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).

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. 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(1).

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. How do I apply for cover onto the Scheme?

- A. Anyone wishing to purchase cover can apply to the Scheme by approaching their usual broker who will guide them through the application process. Applicants that do not have a broker can contact BIBA (British Insurance Brokers Association) at enquiries@biba.org.uk or LIIBA (London & International Insurance Brokers Association) at enquiries@liiba.co.uk who will offer support in finding a suitable broker.

For any further questions, please contact the Scheme administrator at liveevent@marshcommercial.co.uk

Q. Are events held in Jersey, Guernsey & Isle of Man covered under the Scheme?

- A. No. Scheme only covers events held in the United Kingdom which does not include Jersey, Guernsey or Isle of Man.

Q. We have a client who is a tour promoter and his artists are normally paid on the basis of a split of the total profit. Our client has advised that the promoter is considering changing this approach and will contract the artist on the basis of 'agreed guarantee' versus a split of the profit, which greater. The Government Covid Scheme does not cover Revenue, the actual payment by the promoter to the artist is a cost item to the promoter, our potential Assured. Would this be covered?

- A. The definition of "Losses" in the Scheme covers costs and expenses actually incurred or paid in preparing for the event, so (provided that these amounts are covered by the relevant policy) losses in relation to amounts paid by the insured to the artist would be capable of falling within the scope of the "Insured Risks" for the purposes of the Scheme. The basis upon which the artists are paid (i.e. whether this is agreed guarantee or profit split) is not directly relevant in this context for the purposes of the Scheme, but from a practical perspective there would be no losses to cover in this regard where payment was on the basis of a profit split.

Q. Can the insured increase the limit for irrecoverable costs leading up to the event and pay an AP for the increase in limit?

- A. Subject to the agreement of their participating insurer, an insured can increase the policy limit (as long as the aggregate covid cover does not exceed the non-covid cover in value), if the appropriate premium increase is paid. However, the insured must make this adjustment at least 8 weeks in advance of the event (once, as defined in the Scheme rules, the 'Initial Period' has passed and this requirement becomes applicable).

Q. Both policies will be covering a run of events. The non-covid policy does have a sum insured per event but is written on a first-loss basis. It is a very remote possibility that if the absolute worst happened the first half of the events are all cancelled using up the full capacity of the non-Covid policy which means events in future wouldn't have a policy. In this scenario would this mean future events covered under the Scheme are no longer covered as well?

A. The policyholder can have 1st loss on non-covid cover as long as they pre-select events they wish to be covered for the covid policy. As long as the aggregate covid cover does not exceed the non-covid cover in value, and the non-covid element covers at least all of the events covered by the covid element, then the covid policies are capable of being eligible (if all other relevant requirements are met).

Q. Is the Scheme limited to event organisers, or is any organisation or individual linked to an eligible event (e.g. exhibitor, stallholder, artist, venue, caterer) able to purchase cover under the Scheme?

A. The Scheme is not limited to event organisers. If a proposer is able to purchase cover directly linked to an event (or a series of "linked" events) from an insurer participating in the Scheme, then it would be able to fall under the ambit of the Scheme.

Q. In order for Covid cover to be eligible under this Scheme, does the non-covid policy need to be governed by English Law and subject to English jurisdiction?

A. The non-covid policy can be governed by foreign law and subject to foreign jurisdiction and still be an eligible policy.

Q. If an event has been postponed as a result of a lockdown and made a successful claim under Scheme, is the indemnity limit automatically reinstated for the rescheduled event date?

A. No. The limit of this cover would be reduced by the amount paid out under the original insurance policy. If an insured wanted to reinstate the limit to the original amount, they would need to pay a further premium to the insurer on the increase. The insurer would not be obliged to offer a reinstated limit but could do so if they wished (subject to the other requirements of the Scheme, e.g. additional premium was paid to HMG and the postponed event was not scheduled to take place during a lockdown etc.).

Q. If a policyholder opted to reschedule their event for commercial reasons (eg: An artist is unable to perform at the event) would the policyholder be required to pay a new premium for the rescheduled event?

A. The Scheme Rules would not require further premium to be paid unless the total sum insured was increased, and would allow the existing policy to continue to apply to the postponed event (subject to the requirements of the Scheme applicable to events and postponed events generally, such that the event is not prohibited from occurring on the date to which it is postponed). However, the insured should confirm with the participating insurer whether the terms of the insurance permit such a postponement for commercial reasons, or require further premium to be paid to the insurer (at which point, the insurer would be required to pay further premium under the Scheme). Note that the Scheme would not cover costs incurred for the original event, as it was postponed for commercial reasons rather than because of UK Civil Authority restrictions in response to Covid.

Q: Can I claim for the costs I have incurred in order for my event to legally take place in light of new restrictions, for example the introduction of covid certification?

A. Costs incurred in order to legally operate in accordance with published restrictions would not be ineligible under the Scheme, provided insurance was purchased prior to the new restrictions being announced and the extra costs incurred to legally operate do not exceed the losses avoided (i.e. the losses that would have arisen if the event had instead been postponed or cancelled).