

House of Commons: Written Statement (HCWS284)

Department for Digital, Culture, Media and Sport

Written Statement made by: **Minister of State for Digital and Culture (Caroline Dinenage)** on 13 Sep 2021.

Reporting Contingent Liabilities in Relation to the Live Events Reinsurance Scheme

I am tabling this statement for the benefit of all members of this House to bring to their attention the Departmental Minute issued today that provides the House with notice of a contingent liability created by my Department. This is in relation to the Live Events Reinsurance Scheme.

The Live Events Reinsurance Scheme was announced by the government on 5 August 2021 and will support live events across the country - such as live music shows, music festivals, sporting and business events - that are at risk of being halted or delayed due to an inability to obtain this insurance. HMG is partnering with insurers to offer a cost indemnification insurance scheme which will make cover available against the cancellation, postponement, relocation or abandonment of events due to new UK Civil Authority restrictions in response to Covid-19. Cover will be available to purchase alongside standard commercial events insurance for an additional premium. The duration of the cover will be from September 2021 to 30 September 2022.

Based on the risk share set out and the initial appetite put forward by insurers, the scheme will create £750m of cover at any one time, although this could increase if there is market demand and insurer willingness to offer more cover. The scheme's lifetime exposure is unlimited. To retain control over the fiscal risk, government has retained the right to stop writing new cover at any time, built in a review point in the first half of 2022 and is requiring any individual insurer to seek explicit permission ahead of exceeding a net exposure of £400m or more.

It is normal when reporting contingent liabilities to provide 14 working days' notice before the liability is incurred. There is an exception in cases of special urgency. This is one such occasion. In order to ensure that event organisers have the confidence to plan ahead it is important that we launch this scheme in early September.

A copy of the Departmental Minute is being placed in the Libraries of both Houses.