



NTIA NIGHT TIME INDUSTRIES ASSOCIATION

Rt Hon. Rishi Sunak MP
Chancellor of the Exchequer
HM Treasury
1 Horse Guards Road
London, SW1A 2HQ
Thursday 30th April 2020

Dear Rishi Sunak,

Using Pool Re excess funds to save our industry

We are writing to urge the government to release excess Pool Re funds to support both the leisure and hospitality industry and insurers across the country.

NDML has been in contact with countless businesses within the leisure and hospitality industry that have been struck hardest by the coronavirus pandemic. Many of these businesses are struggling to receive pay out on their Business Interruption Insurance policies, despite purchasing insurance in good faith to cover them for outcomes such as the coronavirus outbreak. Insurers are not treating customers fairly – damaging not only our thriving night-time economy, but the reputation of the insurance industry as a whole.

Insurers must too find a way to survive this pandemic. It's understandable that paying out substantial sums could cripple the insurance industry. Yet avoiding claims and remaining steadfastly unresponsive is not the answer. We're living in uncertain times, but the industry needs clarity.

Since the coronavirus pandemic first broke, NDML has been working tirelessly to help and support the industry. We have worked alongside our partners – the Night Time Industries Association (NTIA) – to urge insurers to do the right thing and settle valid Business Interruption claims that have the potential to save thousands of businesses and countless jobs. However, we have now reached a deadlock with no action.

We believe we have struck upon a positive solution that will work for everyone.

The Pool Re terrorism fund currently stands in excess of £6.5 billion, not taking into account the unlimited HM Treasury guarantee facility. The fund has been specifically developed to support the insurance industry in paying out terrorism claims, allowing insurers to contribute to the fund in order to access back-up cover in the event of a significant disaster. This helps insurers minimise the financial burden of a large claim – something which is a particular concern in our current climate.

Pool Re pays a substantial premium to HM Treasury for its guarantee, and is now classified as a government entity. Therefore, we believe it is the government's responsibility to work with Pool Re to support the insurance industry during these immediate challenging times.

NTIA and NDML are calling on the government to break the deadlock between insurers and the industry. We urge you to review the operation of Pool Re and allow its excess funds to be used to support insurers in paying out Business Interruption claims related to the coronavirus pandemic. By working with both the insurance industry and Pool Re, we are confident the government can find a viable solution to help businesses across both sectors.

We are also calling on the government to provide a long-term insurance solution to future-proof pandemics. A Scheme similar to Pool Re specifically developed to support pandemic claims could help both insurers and their clients across the country weather a similar storm in the future.

With the government's assistance, we are certain both the insurance industry and the night-time economy will be in a much better position to recover and thrive.

Yours sincerely,



Simon Mabb – Managing Director, NDML



Michael Kill – Chief Executive Officer, NTIA

