Insurance Cover for the Tourism Sector

Dear Under Secretary of State,

I am writing to you on behalf, and as Convener, of the Scottish Parliament’s Culture, Tourism, Europe and External Affairs Committee. The Committee recently took evidence from the Scottish Government’s Cabinet Secretary for Rural Economy and Tourism. The focus of the evidence session was the impact of Covid-19 on Scotland’s tourism sector. I attach a link to the Official report of that meeting— http://www.parliament.scot/parliamentarybusiness/report.aspx?r=12642

An issue of particular concern raised at the evidence session on 14 May 2020, was the role insurers will play in supporting businesses while lockdown restrictions are in place. Written evidence provided by the Scottish Tourism Alliance¹ to the Committee, indicates that there are continuing concerns over the behaviour of insurance companies in relation to business interruption cover. Similarly, evidence received from Independent Hostels Scotland, indicates that some of their members are having issues with insurance companies who are refusing to acknowledge Covid-19 as an infectious disease covered under business interruption schemes.

Without adequate insurance cover, many businesses will struggle to survive the lockdown restrictions causing lasting damage to the tourism sector. We would therefore be grateful to know what measures the UK Government is taking to ensure businesses are treated fairly by insurers when applying for business interruption cover. Copies of this letter have also been sent to the Financial Conduct Authority and the Association of British insurers, seeking their views on this issue.

¹ Written Submission, Scottish Tourism Alliance, pg 9
The Committee would appreciate a response by 15 June 2020. I look forward to hearing from you.

Yours Sincerely,

Joan McAlpine MSP, Convener,
Culture, Tourism, Europe and External Affairs Committee