

The Rt Hon Jesse Norman MP
Financial Secretary to the Treasury
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Philip Glanville, Mayor of Hackney
Cllr Guy Nicholson, Cabinet Member for
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Dear Jesse,

Insurance industry

We write on behalf of Hackney Council to urge HM Treasury to provide enhanced scrutiny of the insurance industry and claim handling during the Covid-19 emergency and to use its influence to call on the industry regulator, the Financial Conduct Authority (FCA) as well as the industry body, the Association of British Insurers (ABI), to do the same.

As a Council and as local representatives, we have been approached by a growing number of local businesses, expressing concerns that their insurance companies are not treating them fairly and are using technicalities to avoid paying out claims.

While we appreciate that it is difficult to comment on individual cases and individual insurance claims, we are increasingly alarmed by the large volume of local business and social enterprises that are approaching us on this issue. We are in the process of compiling a range of case studies, which we will be formally submitting to you to outline the wider variety of concerns that have arisen to date.

As you will be aware from our previous correspondence with the Chancellor of the Exchequer on this issue, Hackney's business community is facing acute challenges during the Covid-19 emergency, and this is clearly being compounded by the practices of the insurance industry. I am sure that you will share our concern at any suggestion by businesses that the insurance industry may be failing them at their time of greatest need and risking their viability and in some cases - we are advised - their very existence.

We are deeply concerned that, to date, little if any Government and regulatory oversight is being applied to claim processing during the Covid-19 emergency and would urge HM Treasury and the Financial Conduct Authority (FCA) to urgently investigate this to ensure that this omission is addressed.



Businesses including local cinemas and nurseries have all raised concerns about insurance companies and in particular the practice around the industry's definition of "notifiable disease".

You will be aware that colleagues in New York have taken a proactive approach to addressing this issue by introducing legislation requiring insurers providing business interruption and loss of use coverage to cover business interruption during the period of the declared Covid-19 emergency.

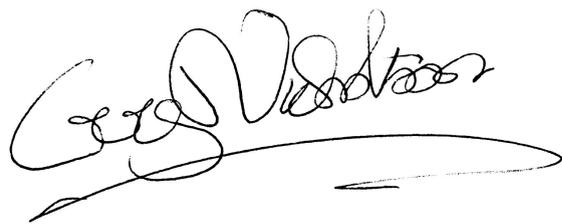
We welcome the Chancellor of the Exchequer's recent pledge to do "whatever it takes" to keep companies and businesses afloat and we would urge HM Treasury and your officials to apply rigorous scrutiny to the practices of the insurance industry. We would welcome written confirmation of the steps that MH Treasury plans to take, in conjunction with the FCA and Association of British Insurers (ABI), to address these concerns. We would also welcome an early conversation with your officials to discuss this issue, alongside the wider challenges, facing our local business community in Hackney.

Thank you in advance for your assistance. We look forward to hearing from you.

Yours sincerely,



Philip Glanville
Mayor of Hackney



Cllr Guy Nicholson
Cabinet Member for Planning, Culture & Inclusive Economy

CC: Meg Hillier MP, Member of Parliament for Hackney South and Shoreditch
Rt Hon Diane Abbott MP, Member of Parliament for Hackney North and Stoke Newington
Mel Stride MP, Chair of the Treasury Select Committee
Anneliese Dodds MP, Shadow Chancellor of the Exchequer
Rt Hon Ed Miliband MP, Shadow Secretary of State for Business, Energy and Industrial Strategy

