



June 2020

INTERRUPTION TO BUSINESSES AS A RESULT OF PROTESTS

The past few weeks have seen widespread Black Lives Matter protests following the death of George Floyd in Minneapolis at the hands of police.

In the main, protests have been peaceful, but some have been marred by violence and anti-social behaviour, committed both by protesters and far right activists.

This was not unforeseen; earlier this month, government advisor Professor Clifford Scott warned that Britain must be ready for riots this summer. He predicted a tinderbox from a combination of inequality and anger at the police enforcement of restrictions becoming “pretty impossible”; particularly if curbs on freedom have to be re-imposed.

As a business or home owner it is entirely reasonable to worry about the impact violence and anti-social behaviour at protests could have on your business, home and vehicles, particularly in relation to any damage sustained.

General Advice from Towergate Insurance Brokers

Towergate Insurance Brokers advice that now is the time for businesses to review their insurances in case of property damage, loss or damage to stock and resulting business interruption.

In the event that you suffer from property being damaged or stolen during a riot (as defined from the Public Order Act 1986), insurance policies should generally respond as follows.

Home Insurance

Standard home insurance policies should cover fire, looting or damage caused, and that many policies would also cover accommodation costs for those unable to stay in their homes.

Business Insurance

Most commercial insurance policies would cover businesses for damage to their premises, including business interruption for the consequential loss, if this extension has been purchased.

Motor Insurance

Owners of vehicles damaged in the unrest will be able to claim if they have fully comprehensive cover, but may not qualify for a pay-out if they have anything less, such as third party, fire and theft (will be covered for their vehicle being set on fire), or third party only.

The Riot Compensation Act 2016 and uninsured parties

As a result of the 2011 England riots, significant issues were exposed concerning the administration of claims intended to be indemnified under the scheme previously established under the Riot (Damages Act) 1886. Following an independent review and public consultation, this has been replaced by the Riot Compensation Act 2016, which introduced several key changes, including;

- Allowing insurers who have met claims from people or businesses to claim compensation from the local policing body.
- Allowing people and businesses, which are not insured, to claim compensation from the local policing body.
- Requiring that the amount of compensation must reflect only the loss directly resulting from the damage, destruction or theft of the property, and in particular, must not reflect any consequential loss resulting from it.
- Ending unlimited compensation, setting a £1m cap on each claim; and
- Allowing for claims on motor vehicles which are not insured for riot damage, but which are covered by an insurance policy at the time.

The information contained in this bulletin is based on sources that we believe are reliable and should be understood as general risk management and insurance information only. It is not intended to be taken as advice with respect to any specific or individual situation and cannot be relied upon as such.

Please contact your usual **Towergate Insurance Brokers Advisor** or email: **TIB@towergate.co.uk**