

Cottagesure Action Group Frequently Asked Questions

FAQ's v2

Representation Terminology

To avoid confusion:

Bodies that represent the claim on YOUR behalf will include **Loss Assessors, not be confused with Loss Adjusters** that represents the insurance companies.

How to roughly estimate the size of your loss?

Unless Policyholders expressly increased the period that Business Interruption covers it is for 12 months. The cover period starts from when the insured event occurred and ends when you cease to be affected by it – or when the indemnity period expires if sooner. You will see therefore that it is impossible for anyone to fully calculate the full extent of any claim. But it is imperative that you notify your insurer of your intent to claim and not leave his longer than 180 days.

In the simplest possible terms, the insurers would look at previous year's turnover, in order to gauge what the actual loss has been. If you are VAT registered, the VAT would come off. If you have received a Govt Business Rates support Grant, that would be counted in your turnover, so would effectively reduce amount that the insurer has to pay by the amount of the Grant (we are making the Govt well aware of this).

It is worth bearing in mind that this insurance if paid out, is meant to put the business owner in the same financial position they would have enjoyed had the insured event had not happened. You cannot gain from it.

Do we need to say how much our claim is for?

At this stage it is almost impossible to state the size of claim. Keep a record of all guest refunds, cancellations, deferrals so you have them to hand as doubtless the insurers will want detailed information rather than just the lost turnover.

How we might find more Members as a collective?

Group Members have already suggested many ways that we could reach out to as many of the 2220 (updated number) policyholders as possible. These include:

- Each Member ringing his local self-catering colleagues and asking them
- Asking the platforms that we advertise our properties to send details of the Cottagesure Action Group to their list of owners
- We have asked Gallagher's to put details of PASC UK on their communications
- Asking local Tourist Boards to circulate details to their members
- Once we have an indication of appetite, we can run a PR campaign
- Once we have an indication of appetite we can set up a website
- We can tag all RSA social media with directions to Cottagesure Action Group

How to make a claim

The process of submitting a claim, even if it is declined, at the very least fulfils your requirement to notify claims within a reasonable time, and provides documentary evidence to support any complaint

you wish to bring via the Financial Ombudsman. According to the Policy you should do this immediately or not later than 180 days.

New Claim

1. There is no specific claim form so, in the first instance please contact in writing (email is acceptable)

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Director

Gallagher Retail

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2. As per current RSA guidelines, they will only consider losses between the date upon which COVID-19 became a notifiable disease in the UK (5th March) until the Government lockdown, (23rd March).
3. Although RSA do not currently accept losses post 23rd March, our recommendation is that these losses are documented and also submitted.
It is accepted at this point that you cannot be definitive on actual losses and these can be finalised as part of the claims process.
4. In terms of documentation, copies of emails, texts, letters from guests or booking agents will assist in evidencing any claim
5. Gallagher's will submit the claim to RSA who will review and respond on an individual basis.

Claims Already Submitted

If you have already notified a claim but not as yet submitted additional information, please follow the steps above to help establish your losses.

Options

Upon receipt of a formal declination, you have the option to:

1. Appeal to the RSA's Customer Relations Team, crt.halifax@uk.rsagroup.com
2. You may also bring a complaint to the Financial Ombudsman, complaint.info@financial-ombudsman.org.uk Guidance may be found at www.financial-ombudsman.org.uk

Why no-win no-fee may not be right for us

It is extraordinarily difficult to manage costs when engaging a no-win no-fee firm. For example. A collective action was taken by 550 postmasters against the Post office on a no-win no-fee basis. Of the £57.5m awarded to the Postmasters, they received only £11.5m. £46m was taken in fees.

<https://www.independent.co.uk/news/business/news/post-office-it-scandal-horizon-subpostmasters-judge-inquiry-a9391146.html> We have some interim options as well, covered in the next bullet point.

How we may choose someone to represent us?

We are not yet at the stage of choosing anyone to act on our behalf. We first need to ascertain what the appetite is amongst the group, and gather the list of suggested people from the group that we need to look at. There may also be the option of going to an open access QC for an initial opinion. Most accept direct instructions these days, which could save quite a lot. The facts of the case are simple. It is the law that is potentially complex.

We would definitely need solicitors at a later date, particularly if we need to start court proceedings.

All advice given to us so far says that we should find the best possible person for the task ahead, and agree a deal with them that is equitable. We have been advised to specifically avoid 'no-win no-fee' companies, to only go with someone who never represents the insurers, only ever works for policy holders to avoid potential conflicts of interest, and to get a really clearly defined understanding of costs clearly defined up front.

How long might this take?

This is one of the most common questions we get asked, and it's the most impossible to answer. It's unlikely to be very quick. We doubt that RSA will just roll-over and pay out at the first sign of trouble. We should therefore prepare for a long battle if we are to go ahead.

What is the chance of success?

One possible advantage of going with the best possible advisor with our claim is that they would be staking their professional reputation on a successful outcome. If they thought the chances were poor, or less than 60/40 they wouldn't take us on.

What lobbying has taken place with HMG on Business interruption Claims?

Extensive lobbying has taken place to highlight the refusals by the major insurance companies in refusing claims for Business Interruption. It has been a top issue for PASC UK and they have been providing the Government with detailed feedback on this. The FCA have escalated this as can be seen by this letter which is in the Government update on this below.

The Government is now asking for hospitality businesses to provide feedback to them, and has set up a dedicated link for this. Everyone should do this. It may be worth you pointing out that if we are successful in making the Insurance companies pay out under Business Interruption Insurance, the amounts they will have to pay, will be reduced by the amount of Coronavirus Grant Fund that the businesses have received. That means that the insurance companies' pay-outs are being effectively being subsidised by the Government.

A draft letter to send to your MP

We were going to suggest that you all wrote to your MP and provide a draft letter. However, at this stage it is far more important to get your information into the process above, as any MP's writing in at the moment are just being asked to get their constituents to send the info to the email above. If we need to do this in the future we will provide the draft letter.

Who are PASC UK?

The Professional Association of Self-Caterers www.pascuk.co.uk was established three years ago to represent and lobby on behalf of the professional self-caterer and focusses its activities on gaining a fairer regulation and taxation regime for the sector. Key areas are lobbying for a fairer Business Rates system, a level playing field for short term letting/self-catering operators where all have to comply with the same rules, the reinstatement of Inheritance Tax Relief for professional self-caterers and much more. PASC UK is well connected and lobbies at the highest levels in

Government. The Chair is a Board Member of the National Tourism Alliance and is regularly quoted in the media.

PASC UK negotiated a substantial reduction in Business Rates for all English and Welsh self-caterers with three units and above which came into effect in January 2019. PASC has lobbied for this to be extended to all self-catering businesses and it is understood that this may have been successful and could be included in the next Practice Valuation Self-Catering Practice note.

PASC UK Members get regular newsletters, phone and email support.

Who is Alistair Handyside?

Alistair Handyside owns Higher Wiscombe Holiday Cottages with his wife Lorna. The business is rated at Five Star Gold and has won numerous Green awards. Higher Wiscombe is also one of a small handful of tourism businesses to have won two Visit England National Gold Awards, for best Holiday Cottages and best Dog Friendly Business. Prior to establishing Higher Wiscombe in 2005, Alistair was a senior executive in IT for twenty-five years.

Alistair was instrumental in the successful establishment of PASC UK, the Professional Association of Self-Caterers and is also active in lobbying for support for the wider tourism sector. He is also the Chair of the SW Tourism Alliance, Director at the national Tourism Alliance, is Chairman of the East Devon AONB and was until recently Chair of Premier Cottages and the South West Coast Path. Alistair was awarded an MBE in the June 2018 Queens Honours for his services to tourism.

Disclaimer

We are trying to help with information on a complex topic in a tight time frame and with limited resources. Please don't rely on this rather than your own judgement and enquiries.

FAQ's 2 Cottagesure Action Group 21.04.2020