

Driving motorsports back to business as usual during the pandemic



Insurance | Risk Management | Consulting



This year has been like no other. The first COVID-19 lockdown began back in March followed shortly by a second wave and a second lockdown. Let's hope for happier times in 2021.

Many sectors and businesses, both big and small, have deeply felt the financial impact of these lockdowns, with the global GDP growth forecast now reduced once again for 2021, from 5.2% to 4.9%.¹

All sports were stopped in their tracks, including motorsports, when the racing season should have been in full swing. So, how has the motorsports industry coped throughout the COVID-19 pandemic – from grass roots to F1? Spoiler: Gallagher has played in a key role in supporting the motorsports sector during this unsettling crisis.

Getting motorsports back on track

Following the initial shock of lockdown, leading minds in motorsports, and governing bodies, came together to build proposals and plans for getting the sector back on track and teams racing once again. They worked closely with motorsports stakeholders, and Gallagher's Managing Partner of Sport, Karen Ellis, and her team, assisted in the process by way of risk and insurance advice. The collective input and subsequent proposals that went on to be discussed at a national and international policy level contributed to racing being able to continue – demonstrating and convincing

promoters, teams and drivers that a great deal of thought went in to agreed protocols around making events COVID-19 safe.

The outcome was foot back on the gas, pretty rapidly albeit at closed events, with F1 getting back to business as usual at the Austrian Grand Prix back in July. Some 4,500 businesses employing 45,000 people in the British motorsports industry, not to mention sponsors, were delighted to see the sector becoming one of the first sports to regain some sort of normality. The proposal created during this process – with input from Gallagher & the insurance market – also acted as a blueprint for other racing sports in pursuit of business continuity, as well as international sports with global event participation.

Karen Ellis is well-placed to have played a key role in this strategic 'back to business' team working with key stakeholders across Sport, pulling on her and the insurance industry's long and extensive knowledge of dealing with crisis and risk in Sport. Throughout her career she has led the teams who successfully managed some of the largest and most complex sporting claims on behalf of global clients and her expertise is truly second to none.

¹ <http://blog.oxfordeconomics.com/coronavirus/growers-slowers-going-lowers>



Renegotiating motorsports cover

With the industry back on track in a slightly different format, it was also necessary to review our motorsports clients' existing policies. Now with the COVID-19 spanner in the works, we needed to ensure that our clients had suitable policy cover for potential COVID-19 related eventualities and work began revisiting original policy cover. This was made even more challenging in the hardening market we are operating in today, where some cover is more difficult to find and premiums are rising. Despite these challenges, Karen and her team adopted a "can do" practice and were able to renegotiate coverages with some of the leading motorsports insurers and underwriters, all of whom did their best to provide the broadest cover they were able to offer within the parameters they were able to work, and all of whom were extremely supportive to the cause.

Bigger, better and more inclusive

Across the motorsports sector as a whole, we are in fact seeing the industry come back better and stronger than ever before in spite of the pandemic. Now, racing leaders are not only more experienced to tackle similar future crises, but the sport has also become more inclusive, with racing going digital through the medium of esports. Motorsports first launched as an esports back in 2017 and has been gaining ground ever since. In 2020, in the face of COVID-19, it became a way to make the sport accessible to fans from the safety of their own homes, blurring the line between professional racers and gaming racers – or simulation (sim) racers.

According to an article in Drivetribe²: Real life racers like Max Verstappen and Lando Norris are now famous gamers in their own right. Online sim racers like Jimmy Broadbent have become part of the racing fraternity, competing against professionals in official F1 esports and showing just how good a sim racer can be.

Esports importantly offer a way for people from all backgrounds to get involved in motor racing, usually a sport known for being accessible only to the wealthy, in terms of becoming a driver or even being a spectator at a race. The rise of inclusivity in motorsports is one real positive to come out of the COVID-19 pandemic.

² <https://drivetribe.com/p/could-covid-19-actually-be-good-Tu7Y6B9cQFGzaGZUsEax2Q?iid=XYxw5VSDQTWz-p0JpFcLTSw>



Gravitas and experience

It is with great pride that Gallagher contributed to proposals to get motorsports back to business as quickly as possible during the pandemic, when many sports ground to a stop for far longer. As such, we are delighted to have Karen Ellis on board at Gallagher, due to the gravitas and experience she brings to the company and her deep expertise in the motorsports industry, setting Gallagher apart from other brokers providing cover in this sector.

[Find out more about Gallagher's Head of Sports Practice, Karen Ellis](#)

Contact our team for cover

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