The business of sport: navigating an increasingly complex claims landscape

At the highest levels, modern sport is a major commercial enterprise. From international motorsport and elite sporting competitions to the large network of sporting clubs and leisure venues, today's sports and leisure sector depends on complex operations involving significant infrastructure, specialist equipment, large workforces and hundreds of thousands of spectators.

As a result, the risks facing organisations have become equally diverse. A single incident can trigger property damage, liability exposures, event disruption and business interruption simultaneously, requiring specialist expertise that extends well beyond traditional loss adjusting.

McLarens' recently expanded Sports & Leisure capability reflects that evolution bringing together expertise across property, liability and contingency claims handling to support organisations operating in one of the insurance market's most dynamic sectors.

Bigger events, broader risks

While sport has always carried inherent risks, the commercial scale of modern events has grown.

Take this year's British Grand Prix. Across a single race weekend, more than half a million spectators attended Silverstone supported by tens of thousands of staff, contractors and suppliers. Behind the event sits extensive infrastructure, expanded hospitality facilities, engineering operations, broadcast production, logistics and temporary installations, all of which create multiple and interconnected insurance exposures.

Although advances in health and safety management have helped reduce the frequency of some losses, the financial consequences when incidents do occur have grown considerably as events have become larger and more sophisticated.

Property risks extend beyond the event

Property claims are often associated with the event itself, but many exposures exist throughout the year.

Sporting venues comprise offices, hospitality facilities, engineering workshops, storage areas and specialist equipment, all of which remain vulnerable to fire, water damage, theft and accidental damage. High-value production equipment is frequently transported between venues, while much of it being hired in is specifically for individual events, increasing the financial consequences if assets are damaged or stolen.

Even relatively localised losses can have wider implications. Damage to hospitality facilities, engineering buildings or essential infrastructure may interrupt future events or affect the venue's ability to host conferences, corporate functions or other commercial activities, creating business interruption exposures alongside the physical damage claim.

Liability remains a constant focus

For many venues, public liability represents one of the most significant areas of exposure.

With thousands of visitors attending events, slips, trips and falls remain among the most common causes of claims. However, successful defence often depends less on the incident itself than on the quality of the venue's risk management.

Comprehensive risk assessments, method statements, inspection records and clear supporting documentation all play an important role in demonstrating that reasonable steps are taken to manage foreseeable risks. Where claims do arise, access to accurate documentation enables adjusters to investigate events efficiently and support Insurers in determining liability.

Beyond spectator incidents, venues must also manage risks associated with heavy plant, temporary structures, electrical systems and complex production equipment during the build-up and breakdown of major events, when some of the highest-risk activities take place.

The cost of disruption

Perhaps the greatest concern for many organisers remains event disruption. Cancellation, postponement or significant changes to an event can generate substantial financial losses, particularly where organisers have invested heavily in venues, contractors, broadcast arrangements and hospitality.

Contingency losses frequently extend beyond the immediate event itself, creating complex business interruption claims that require careful financial analysis alongside technical claims expertise.

While improvements in forecasting and event planning have reduced the frequency of some cancellations, the financial exposure associated with major events has increased considerably. Weather remains an important consideration, while terrorism continues to represent a significant insured risk for many large public gatherings. Increasingly, organisers are choosing to extend contingency cover to include these exposures.

Specialist expertise matters

The increasing commercial sophistication of the sports and leisure sector has changed expectations around claims handling.

Property, liability and contingency claims rarely exist in isolation. A single incident may require technical property expertise, liability investigation, forensic accounting and careful coordination between Insurers, Brokers and Policyholders to achieve the best outcome.

Equally important is an understanding of the sector itself. Sporting venues operate to immovable event schedules, while reputational considerations often sit alongside financial losses. Resolving claims efficiently can therefore be just as important as determining liability or quantifying damage.

Looking ahead

Sports and leisure organisations continue to invest in larger venues, increasingly sophisticated facilities and ever more ambitious events. With that growth comes a broader and more interconnected risk landscape.

For Insurers, successful claims handling increasingly depends on combining technical expertise with an understanding of the unique operational pressures facing sporting organisations. By bringing together specialists across property, liability and contingency claims, Insurers can respond more effectively when incidents occur, helping organisations recover quickly while protecting both commercial performance and reputation.

Author

Russell Norris
Executive Adjuster/Sports & Leisure
Lead Entertainment & Contingency

+44 (0)7425 777 852

russell.norris@mclarens.com

