



## **COVID-19 FAQ : Update from your broker – 17/04/2020**

We understand that it is a very difficult time for many of you and uncertainty around insurance coverage is compounding issues, so we have tried to answer most of the common questions currently being asked about the cover provided under our Surgery Insurance policy. We have also attempted to provide an update to the current position being taken by your insurer.

### **1. Are pandemic diseases included in my business insurance cover?**

Business Interruption cover provided by our business insurance policies is triggered by damage to physical property at the insured premises preventing the business from being able to trade. Our policies do not cover pandemic diseases due to the difficulties involved in predicting the potential risk.

### **2. Are my premises insured if I leave them unoccupied?**

On Monday 23<sup>rd</sup> March, as part of its strategy to tackle the current outbreak of coronavirus, the UK Government mandated that the general population should stay at home for a period of 21 days. Please note that, in these extraordinary circumstances, we will not consider your premises to be unoccupied during this period. We will continue to review the situation alongside the latest government advice and issue further updates as necessary.

#### **Updated as at 06.04.2020**

For the first 90 days that the UK Government Covid-19 closure order applies to your client's business, we will not consider your premises to be unoccupied. This does not apply to premises that were already unoccupied at the time of the closure order, or those that become permanently unoccupied during this period.

For premises that were already unoccupied at the time of the closure order, or those that have become permanently unoccupied during this period, we will not enforce any condition for regular inspections of the premises.

All of the above will be subject to review by the 1<sup>st</sup> June 2020, with any amendments advised accordingly.

### **3. Will my insurance policy cover my employees who are working remotely from home, in line with Government guidelines?**

A key part of the Government's response to the COVID-19 outbreak is to encourage more employees to work from home. If you have an active employer's liability policy, rest assured that the coverage will extend to your employees while they are working from home during this period.

We would recommend that you encourage your employees to undertake workplace assessments to ensure their employees working from home are operating in a safe working environment.



#### **4. Can I 'freeze' my insurances during this turbulent time if I have temporarily closed my business?**

It is imperative that you consider in this context whether your risk exposure will be reduced during this period. Having comprehensive insurance cover in place is important at any time to protect your insurable interests.

#### **5. Am I covered if an employee contracts COVID-19 under Employers' Liability?**

Employers' Liability claims are triggered as a result of negligence on the part of the policyholder. For a claim to be made on this basis, it would need to be proven that an employee contracted COVID-19 as a direct result of the negligence of the policyholder.

#### **6. Am I covered if a member of the public contracts COVID-19 under Public Liability?**

Public Liability claims are triggered as a result of negligence on the part of the policyholder. For a claim to be made on this basis, it would need to be proven that a member of the public contracted COVID-19 as a direct result of the negligence of the policyholder.

#### **7. Why has the information received from MIC regarding the claim procedure changed over the last few weeks?**

With this unprecedented occurrence changing on a daily basis the information relayed to our customers also changed as frequently.

It was our understanding from the outset that the Infectious Disease extension was operable within the Business Interruption section, however COVID-19 would have to be declared a notifiable disease. At 6.15pm on 5<sup>th</sup> March 2020, a statutory instrument was made into law that added COVID-19 to the list of notifiable diseases.

This meant as a notifiable disease a claim could be submitted under the policy and COVID-19 was/is not excluded, however there were still certain criteria within the wording that needed to be met.

On the 3<sup>rd</sup> April 2020, our clients began receiving declination letters from Lucas Claims Solutions, on behalf of the Insurers, confirming that there was no cover for epidemic and not all criteria to claim under the Infectious Diseases section were met.

#### **8. How can MIC assist you at this challenging time?**

Since receiving notice of the Insurers decision to decline all Business Interruption claims connected to COVID-19, we have been in discussion with the Chief Claims Officer at Arch Insurance (UK) Ltd for clarification on the policy wording and to pass on the concerns raised by you, our customers. We will continue to request updates and question the position of the insurer in respect of claims submitted.



We have also maintained our team of dedicated staff who are on hand during business hours to gladly answer any queries or questions that you have. It is no consolation to you, but insurance claims for business interruption cover during the COVID-19 crisis being declined is not unique to your insurer and is a situation we are monitoring.

A 'Dear CEO' letter from the Financial Conduct Authority on the 15<sup>th</sup> April 2020 to insurance companies has outlined their position on the impact of the COVID-19 pandemic. A key point from this position is the FCA sees no "reasonable grounds" to intervene in business interruption claims for COVID-19 losses where policies do not cover pandemics. Where a policy does cover pandemic then insurers should handle these claims swiftly and fairly, paying partial payments if possible.

We would suggest that advices are sort via the Government's various aid schemes to see if there are any financial aids which you may be entitled to:

<https://www.gov.uk>

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses>

## **9. What can I do if I am dissatisfied with the Insurers decision to repudiate my claim?**

If you remain dissatisfied with our response, you can refer the matter for further consideration by contacting your insurers' complaints department using the details below:

Complaints Manager, Arch Insurance (UK) Limited, 5th Floor, Planation Place South, 60 Great Tower Street, London EC3R 5AZ.

Email: [Complaints@archinsurance.co.uk](mailto:Complaints@archinsurance.co.uk)

If the insurer is unable to resolve the complaint to your satisfaction then you may refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. The FOS can normally deal with complaints from small businesses with an annual turnover of less than £6.5 million and either a balance sheet total of less than £5million or fewer than 50 employees. They can be contacted at:

Financial Ombudsman Service, Exchange Tower, London E14 9SR

Phone: 0800 023 4567 if calling from a landline or 0300 123 9123 if calling from a mobile

Email complaint: [info@financial-ombudsman.org.uk](mailto:info@financial-ombudsman.org.uk)

The FOS's decision is binding upon the insurer, but you are free to reject it without affecting your legal rights.