

IMPORTANT INFORMATION IN RESPONSE TO THE COVID-19 (CORONAVIRUS)

The spread of Covid-19 (Coronavirus) and the necessary government response measures has resulted in significant financial and personal impact to business owners, operators and employees. We continue to receive large volumes of enquiries from clients who have been affected with respect to policy coverage and policy maintenance.

We are operating in unprecedented conditions which continue to develop. To assist our valued client's, we have prepared a list of key questions being asked and general responses.

Coverage Questions

Q-Does my Business Interruption Policy provide cover for business interruption due to forced closure?

A- Historical events have led to exclusions being adopted by all insurers for **pandemic events**. This is due to insufficient funds available to deal with business interruption losses on a global scale (i.e. the premium pool amongst insurers is simply not big enough). **Coronavirus**, being a listed disease which is notifiable under specific legislation, will subsequently trigger such an exclusion for BI under most ISR and Business Insurance policies.

Q- Does my Public & Product Liability Policy provide cover for business interruption including as a result of the Coronavirus?

A- No. Public & Product Liability insurance policies are designed to cover your business for legal defence costs & compensation resulting from your negligence that result in third party property damage and bodily injury. There is no cover for any business interruption losses.

Policy Maintenance Questions

Q- I am currently paying my premium by premium funding. I am concerned that I will not be able to continue to make my payments in the short term. What are my options?

A- Premium Funding is a great tool to assist in the management of cash flow. It is a special type of loan and you do have commitments to keep up your regular payments. If you are struggling to maintain your premium funding commitments the first thing to do is to speak with your funding company early. Our experience is that funding companies will provide some level of flexibility to help you with your repayments.

We also recommend that you speak with your accountant regarding any government assistance that you may be entitled to.

Q- Can I pause my policy due to the Coronavirus as I will not be trading in this interim period?

A- No. Insurers will not allow you to pause cover due to the Coronavirus issue. Typically, your policy is set up for a specific period (e.g. 12 months).

Cancellation Questions

Q- What are the implications if I am considering cancellation of my policies?

A- This is a very good question. While we understand your consideration to cancel your current Policies there are some important points that you should consider.

Claims Made Policies

Certain policies including **professional indemnity, management liability & cyber** are written on a claims made & notified basis. This means that the trigger for any claim is **the date that a notification or claim is first made** against you. This contrasts to policies which are written on an **occurrence wording** such as Public & Product Liability where the trigger date is **the date of the occurrence causing the claim**.

The key issue to consider is once a claims made policy is cancelled there is no cover for any notifications of circumstances or claims that may arise resulting from an incident that may have occurred prior to the policy being cancelled. In short a current policy must be in force at the time of the claim or notification.

Public Liability

When seeking to cancel public liability policies there are some key issues to consider. Should you have a lease of a premises it is standard that under the terms of the lease that you must have in place certain insurances including public liability. Primarily, the landlord is seeking comfort that you have tenants' liability. Tenants liability provides protection should you cause loss or damage to the property owned by the landlord (e.g.- fire, accidental damage).

By cancelling your public liability cover you may be in breach of your contractual obligations. Your landlord may insist you arrange a policy or hold you in breach of contract. If you have financial issues it is always best (where possible) to speak with your landlord to work out a suitable solution.

Personal Accident/Sports Injury

Where seeking to cancel your personal accident/sports injury policy, you should consider whether you are running online tutorial webinars or small groups outside (in accordance with government regulations). Should one of your members sustain injury while participating in your online tutorial webinars or small groups, cover would still be required for any injury.

Seek Advice from your Insurance Broker & Accountant

It is always important to speak with your Insurance Broker if you have any questions or concerns about your insurance cover. Your broker will be best placed to provide helpful advice regarding what options are available to you.

Additionally, your Accountant will be a great source of information regarding what benefits may be available to you and your business during this unprecedented event.

General Advice

The above information is provided as general advice and should not be considered personal advice. You should always refer to your policy documents for specific information regarding your cover.

Please do not hesitate to contact **our sports team** should you have any questions or should you require any clarification regarding your insurance cover.