

Coronavirus or COVID -19 – Business Insurance Cover - Updated



There has been a lot of confusion concerning COVID-19 and whether cover is provided.

In general terms insurance is for the unforeseen. Insurance is NOT designed or capitalised to cover major global systemic risks, particularly pandemics. To be that broad it would be much more expensive to buy. Although covers may exist across a variety of insurance products only a very small minority of businesses may have an element of cover.

Specified disease definition within policies:

In short, there is no cover for COVID-19 under the specified disease definition, as the disease in question is not specified in that list, nor is it related to any of them.

Even though the Government has now made Covid-19 notifiable as announced by the Government there is no cover unless the definition is amended by the individual Insurers and we understand they have no plans to extend cover to include this.

A typical list used by UK Insurers is as follows: Acute Encephalitis, Acute Poliomyelitis, Anthrax, Chickenpox, Cholera, Diphtheria, Dysentery, Leprosy, Leptospirosis, Malaria, Measles, Meningococcal Infection, Mumps, Ophthalmia Neonatorum, Paratyphoid Fever, Plague, Rabies, Rubella, Scarlet Fever, Smallpox, Tetanus, Tuberculosis, Typhoid Fever, Viral Hepatitis, Whooping Cough or Yellow Fever an outbreak of which the competent local authority has stipulated shall be notified to them

Employers Liability Insurance:

From a liability perspective, in particular Employers Liability, there may be some exposure as specified diseases are not excluded. However, the policyholder would have to be proven negligent in some way, before any such claim could be considered under the policy.

For example if an employer permitted staff to travel to areas which are against the advice of World Health Organisation (WHO) or Government (Foreign Office).

Business Interruption:

Business Interruption provides cover for increased costs or lost income following DAMAGE to the property at the Insured premises following perils such as fire, storm, flood etc.

Some policies may have a Specified Diseases Extension, however, as already mentioned COVID-19 is not one of these diseases nor is it related to any of those noted and as such, no cover will be provided by most insurers. In a few cases we have identified cover may exist but ONLY in respect of an actual outbreak or DAMAGE at the premises insured.

Chancellor's Statement – 17 March 2020:

The Government indicated in the Chancellor's statement on 17 March 2020 that they have done enough for insurance policies to be 'triggered'. We think it important to point out that the relevant cover impacted is **only** in respect of non-damage business interruption such as denial of access and suppliers/customers cover. These are usually optional in policies and in many circumstances businesses' insurance will not include this cover.

If you need clarification please speak to one of the team at Munro-Greenhalgh Limited

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How to avoid catching or spreading coronavirus

Do

- ✓ wash your hands with soap and water often – do this for at least 20 seconds
- ✓ always wash your hands when you get home or into work
- ✓ use hand sanitiser gel if soap and water are not available
- ✓ cover your mouth and nose with a tissue or your sleeve (not your hands) when you cough or sneeze
- ✓ put used tissues in the bin straight away and wash your hands afterwards
- ✓ try to avoid close contact with people who are unwell

Don't

- ✗ do not touch your eyes, nose or mouth if your hands are not clean

Check if you need medical help

NHS 111 has an online coronavirus service that can tell you if you need medical help and advise you what to do.