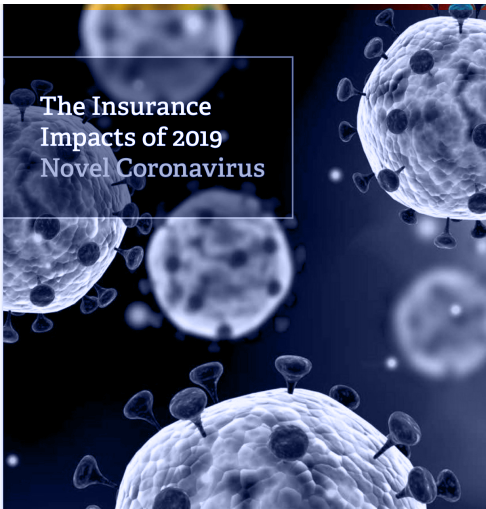


CORONAVIRUS

BUSINESS INTERRUPTION - WHAT COVER DO I HAVE?



When businesses consider business interruption and business interruption insurance, they are more than likely thinking about a catastrophe such as a fire or a flood that prevents them from operating from their premises. Because, unlike natural catastrophes, pandemics and epidemics typically do not cause **immediate physical damage** they are difficult to model and businesses have no way to measure their potential economic loss.

Individual policyholders are advised to check their business interruption cover to see what extensions are being provided.

Some common extensions are:

Notifiable disease

This covers consequential loss as a result of interruption of or interference with the business carried on by you at the premises as a result of illness sustained by any person resulting from any human infectious or contagious disease an outbreak of which the competent local authority has stipulated will be notified to them. Some insurers will specify which diseases they cover and the indemnity period and indemnity amount is likely to be limited.

Action of competent authorities

This extension offers slightly wider cover as the loss does not need to be at the actual premises. A common wording is: "loss resulting from interruption or interference with the business following action by the police or other competent local, civil or military authority following a danger or disturbance in the vicinity of the premises where access will be prevented". The indemnity period and amount is likely to be limited and some insurers may exclude the first 24 hours of any loss.

Other types of insurance that deal with interruptions are:

Business Travel Insurance

The recommend action is to speak to the business travel insurance providers, however they is unlikely to provide any cancellation or curtailment cover if a trip has been booked after the outbreak started.

Key Person Cover

There is unlikely to be any restrictions on existing key person policies. If considering cover for the first time, insurers may now ask for more detailed information such as planned travel.

Having a robust business continuity plan in place with the ability for staff to work from home, may help minimise any potential losses is key - **this is something we are able to help you with through our risk management consultancy - Ascend Risk.**