

Commercial Insurance

Most commercial insurance policies are unlikely to cover pandemics or unspecified notifiable diseases, such as COVID-19.

However, those businesses which have an insurance policy that covers government ordered closure and pandemics or government ordered closure and unspecified notifiable disease should be able to make a claim (subject to the terms and conditions of their policy).

Insurance policies differ significantly, so businesses are encouraged to check the terms and conditions of their specific policy and contact their providers.

Notifiable diseases

Notifiable diseases are certain infectious diseases that registered medical practitioners have a statutory duty to notify the 'proper officer' at their local council or local health protection team about when they come across a suspected case.

The government keeps an updated list of notifiable diseases. On 5 March 2020, the government added COVID-19 to its list of notifiable diseases.

Many insurers use diseases on this list as triggers for the activation or exclusion of insurance cover. For example, insurers' policies that cover notifiable diseases will typically only cover a specific subset of notifiable diseases (such as Cholera or Anthrax) that the insurer will reference in the policy documentation. These policies will exclude any notifiable disease not on the insurers list, as well as future/unknown diseases (such as COVID-19). The price that the insurer charges for the policy is modelled against the risk posed by this set list of diseases.

Unspecified notifiable diseases

Some businesses will have purchased add-ons for their insurance that cover for 'unspecified notifiable diseases'. These policies effectively cover any disease listed as a notifiable disease, enabling the business to claim for losses for all notifiable diseases as well as from diseases that are unknown at the point the policy is written.

The effect of the government adding COVID-19 to its list of notifiable diseases is to ensure that businesses with unspecified notifiable disease cover are able to make a claim – subject to the terms and conditions in their policy. For example, someone infected with COVID-19 may need to have been on the premises.

Government ordered closure

The government asked a number of different businesses and venues to remain closed from 21 March onwards.

Insurers have agreed that this advice is sufficient for businesses covered for COVID-19 losses to make a claim (if the only barrier to them making a claim was a lack of clarity on whether the government had ordered businesses to close). As such, intervention by the police or any other statutory body is no longer required to trigger cover in the current circumstances.

However, most businesses' commercial insurance policies (including for denial of access) are unlikely to offer cover for COVID-19. Insurance policies differ significantly, so businesses are encouraged to check the terms and conditions of their specific policy and contact their providers.

Event coverage

Businesses with event cancellation policies that include unspecified notifiable disease extensions should be able to make a claim for the necessary and unavoidable cancellation, abandonment, curtailment, postponement and disruption of their event for reasons beyond the control of organisers and participants (subject to the other terms and exclusions of their policy).

Insurance for major events is often bespoke to the specific event, so businesses are encouraged to check the terms and conditions of their specific policy and contact their insurer or broker.

Keyman Insurance Policies

We also recommend that you look at any Keyman policies you may have in place if people are off sick and unable to work.

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

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