ALL YOU NEED TO KNOW - CORONAVIRUS

CLUB INSURE
INSURANCE SPECIALISTS

What is Coronavirus (COVID-19)?

COVID-19 is a new strain of coronavirus. Typical symptoms include coughing, difficulty breathing and a fever, though this can progress to pneumonia. The virus is responsible for thousands of deaths so far globally and is now spreading quickly through the UK.

The highly contagious virus enters through the nose and mouth, so can be easily spread through human-to-human transmission. This includes coughing, sneezing or human contact such as touching or shaking hands. It is also thought to be spread by touching objects/surfaces with the virus and then touching your mouth, nose or eyes without washing your hands.

Coronavirus has an incubation period of up to 14 days, which has allowed the virus to spread rapidly across the world. To date, almost 100,000 people have been infected with the disease.

For updated information on Coronavirus, visit the official World Health Organization website.

Preventing Coronavirus

People who have been in close contact with someone with confirmed coronavirus, or people with suspected coronavirus, are being advised to stay indoors and call 111. Staying isolated for two weeks will help to prevent the potential spread of the virus.

The NHS has issued advice to regularly wash your hands with soap and water, cover your mouth and nose with a tissue when you cough or sneeze, avoid touching your eyes, nose or mouth, and try to avoid close contact with people who aren't well. They may seem like simple steps, but it's important everyone works together to try and limit the spread of the virus.

The UK Government's four-part plan is to contain, delay, research and mitigate coronavirus. Essentially, the Government hopes to detect early cases, slow the spread of the virus, better understand how to treat and vaccinate against it and provide good care to those who become ill.

How could Coronavirus impact my business?

Losses businesses are likely to experience include:

-        Loss of income

-        Additional expenses

-        Increased staffing costs

-        Cost of decontamination and sanitising

The spread of Coronavirus could lead to the cancellation of specific events. People may be unable to travel to venues, or there may even be an official recommendation to stop large events / conferences or hotel stays. Businesses that are likely to encounter those infected with Coronavirus could also be impacted. This is particularly relevant to hotels, conference venues, tourist hot spots and various care facilities.

Businesses may be forced to close if employees are struck down with the virus or advised to self-isolate, and business supply chains could also be affected. If a business is relying on supplies or stock from China, it could result in stock shortages and potentially loss of revenue. In this eventuality, it is advised to begin measuring and documenting loss as soon as possible.

Most Business Interruption policies will carry an 'unspecified customers' extension, whereby any loss of gross profit incurred as a result of 'damage' occurring at their customer's premises will be covered. However, it's unlikely that an outbreak of coronavirus would constitute 'damage' as defined in the policy. As such, the loss would effectively be uninsured.

Will my insurance cover protect me if my business is affected by Coronavirus?

Your standard insurance policy may not cover you for loss of income or revenue due to Coronavirus.

However, some policies may have a Notifiable or Communicable Disease extension which will extend your Business Interruption cover to apply to instances of Notifiable Human Infectious or Contagious Disease.

Coronavirus is now classed as a Notifiable Disease in England, Scotland and Wales, and therefore business losses caused by the virus may be covered under some insurance policies.

It is important to check the Terms & Conditions of your policy with your broker.

What happens if I can't access my business?

If a government official or legal authority closes or evacuates your premises, you may be able to make a Business Interruption claim as you have been denied access to your business.

All policies should be carefully reviewed as each individual Policy Wording will vary. For example, some may include a geographic limit of the disease occurrence or require an "Access Prevention Order" to be issued.

Will my insurance cover be enough?

If there is the cover in your policy it will be limited to the amount stated in your individual Policy Wording. Payout limits for the extension are unlikely to fully protect your business. Policies are likely to be subject to time and indemnity limits too.

Businesses are advised to focus on risk mitigation, business continuity planning and protection. Develop and test action plans before the coronavirus directly impacts your business.

For example, do you have the right equipment, security and infrastructure in place for staff to be able to work remotely? Innovate and find practical solutions in advance so that, if coronavirus does impact your business, you are able to minimise its impact.

The impact on employees

If an employee is suspected to have coronavirus, they should be isolated or sent home whilst waiting for advice from NHS 111. Those who have returned from travelling overseas or have been in contact with someone with coronavirus should self-isolate. Where possible, employees should be given the option to work remotely and have a clear policy and declaration form in place to minimise the likelihood of accident claims. If this isn't an option, employers must use their own discretion when it comes to requiring medical evidence for a period of absence.

It is considered good practice to offer sick pay for employees advised to self-isolate but, where businesses don't offer contractual sick leave, those required to self-isolate will be entitled to statutory sick pay from day one.

Businesses are not advised to close the workplace if someone with confirmed coronavirus has entered the premises. Instead, identify who has been in contact with the individual and work with the PHE local Health Protection Team to decide if any precautions need to be taken.

You must take reasonable care to ensure the safety or visitors and employees, which includes ensuring your premises is sterilised and decontaminated if someone with confirmed coronavirus has entered the building.

To summarise...

Where insurance cover is likely to be available, there will likely have to be an actual event (such as a manifestation of coronavirus). Our advice is not to voluntarily close your business unless you are strictly forced to do so by a competent authority, as any other circumstance will not suffice as a policy trigger.

The best thing you can do to protect yourself, your staff and your business is to create and test a Business Continuity Plan. This will help minimise impact should coronavirus affect your business. Decide how your business will respond to various scenarios, and how you plan to communicate with and coordinate staff, suppliers and customers.

Keep up to date with the latest news

The Coronavirus outbreak is still a developing situation. We will continue to update clients with any updates. For the latest news as it happens, follow us on social media or speak to your Account Executive if you have any specific questions. We'll be happy to help.

Resources

For up to date information, follow us on social media or contact our team for any specific insurance-related enquiries.
Keep updated with Public Health England guidance, and monitor official advice from the World Health Organization.