



COVID-19: Insurer Update: 24 March 2020

Your salon is insured under a Retail and Salon policy.

Despite the Government Lockdown that came into force last night, the Business Interruption Compulsory Closure extension **will not activate as Coronavirus/ COVID-19 is not included under the Notifiable Human Infectious Disease list.**

Compulsory Closure Extension

Interruption of or interference with the Business in consequence of compulsory closure by a public body authorised to prevent or restrict access to the Premises arising from:

(a) **discovery of a *Notifiable Human Infectious or Contagious Disease** at the Premises.

Policy Limit: £50,000 any one occurrence

Maximum Indemnity Period: 3 months

***Definition of Notifiable Human Infectious or Contagious Disease**

Those diseases notifiable under the Public Health (Infectious Diseases) Regulations, 1988, namely:

Acute encephalitis, Acute poliomyelitis, Anthrax, Cholera, Diphtheria, Dysentery, Food poisoning, Leptospirosis, Legionellosis, Malaria, Measles, Meningitis, Meningococcal septicaemia (without meningitis), Mumps, Ophthalmia neonatorum, Paratyphoid fever, Plague, Rabies, Relapsing fever, Rubella, Scarlet fever Smallpox, Tetanus, Tuberculosis, Typhoid fever, Typhus fever, Viral haemorrhagic fever, Viral hepatitis, Hepatitis A, Hepatitis B, Hepatitis C, Whooping cough, Yellow fever.

No other disease will be added to the above list without **Our** prior written consent.

All other Insurers including Aviva (formerly Norwich Union)/Allianz, AXA, NIG, RSA & Zurich have confirmed that cover does not apply and will not change policy nor offer cover retrospectively.

Cover does not extend to include Pandemics!

On the 4 March 2020, the Government confirmed that Coronavirus would be added to the Notifiable Disease list to help Insurers pay claims. Unfortunately, they did not consult with the Insurer community to gauge if cover would apply. The March Budget saw the Chancellor introduce a temporary 'coronavirus business interruption loan scheme' to allow banks to offer loans up to £1.2 million (this has been updated and increased to £5 million) to help businesses to keep afloat.

The Government's comments have provided confusion rather than clarity.



Following the media address on the 17 March, the British Insurance Brokers Association (BIBA) and the Association of British Insurers updated their websites providing a valuable resource to the business community: -

<https://www.biba.org.uk/corona-virus-updates/coronavirus-information-for-business-customers/>

<https://www.abi.org.uk/news/news-articles/2020/03/statement-on-business-insurance-and-coronavirus/>

Business Interruption extensions are provided to give specific cover, limited indemnity periods and nominal values. Majority of claims that fall under this relate to infestation, murder/ suicide preventing business from operating allowing emergency services to gather evidence. To that end, pandemics were not legislated for.

Confusion rather than clarity has been the order of the day from our Government; however the Chancellor launched a low interest rate 'Coronavirus Business Interruption' loan within his Budget once the Government were aware that the Insurer community were not covering Pandemics.

As a new address seems to be happening every 24 or 48 hours (working week), we are hopeful that the Government will increase their financial support to help business, beyond the already: -

- Low interest rate 'coronavirus business interruption' loans; as illustrated above
- Grants

It is extremely important that insurance protection continues to ensure that the salon's fit-out, building (if insured) contents and stock are insured against loss or damage caused by Fire, Lightning, Explosion, Aircraft, Malicious Persons, Theft, Storm, Flood (if insured), Escape of Water, Impact by road vehicle or animal and damage to Shop Front.

A footnote, all insurance policies will include an unoccupied premises condition; dependent on lockdown period Insurers may insist on additional security measures to protect the premises from loss. Further details on this aspect will follow once known.

Many thanks for your patience and keep safe.

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