

Business Insurance FAQs – Covid 19



Business Insurance

The information below relates to business insurance policies issued by Hiscox and is correct as at 10th February 2021.

If you are a Hiscox business insurance customer, you will no doubt have questions regarding your cover in relation to the impact of Coronavirus on your business.

At Hiscox we pride ourselves on our claims service and we will do everything we can to respond when a policy is triggered.

However, the core Business Interruption cover provided by our business insurance policies only responds to physical property damage at the insured premises resulting in the business being unable to trade.

Following a recent decision of the UK Supreme Court, Hiscox has updated its position for dealing with business interruption claims arising from the occurrence of Covid-19 in Ireland.

Hiscox policies do provide cover in some particular circumstances where there is no insured damage to property.

An “insured peril” is an event which must occur before you can claim for financial losses which result solely and directly from an interruption to your business. There are six insured perils in your policy. Four of these require insured damage to occur at your premises, one relates to failure of equipment, and the last insured peril relates to your inability to use your insured premises due to restrictions imposed by a public authority following the happening of five specified events, one of which is an occurrence of a notifiable disease. Consequently, our policies will not respond to cover for all claims relating to COVID-19.

However if your business was interrupted because you were unable to use your insured

premises due to Covid 19 restrictions, you may be able to make a claim for business interruption cover under your policy and you should contact your broker or contact us directly on +353 (0) 1 2381810. In order for there to be cover, the restrictions must have been a mandatory Government instruction that applied to your business / business sector. Stay at home instructions issued to the public are not sufficient, save in rare cases. We will consider that you were unable to use your premises if, due to the restrictions, you were (i) totally unable to use the premises; (ii) you were unable to use the premises for a discrete part of your business activities; or (iii) use a discrete part of your premises for your business activities. Following a recent decision of the UK Supreme Court, we are reviewing all claims that have been made to us since the beginning of the pandemic, and if you have already made a claim we will be contacting you in the coming weeks with an update on the position on cover under your claim.

Each claim is different and so the question of whether or not the policy affords cover for any particular losses will depend on the terms and conditions set out in the policy documentation (including policy limits, excesses and any endorsements) and the particular facts and circumstances underlying individual claims.

In light of this, we have prepared a series of general answers to some of the Frequently Asked Questions we have received, which should be read in light of the above. This document has now been updated given the rapidly evolving situation and the issues emerging. But by their nature, these answers are not capable of answering all the relevant issues that may arise in any given case. Accordingly please call us to discuss your policy and specific circumstances and any queries arising.

Through your Hiscox business insurance policy, you may have access to legal and HR consultancy and support. Please refer to your policy documentation for more information.

Business Insurance FAQs

My employees are working from home due to recent government guidance, will they be covered by my insurance policy?

If you currently purchase employer's liability cover for your business, then you don't need to worry - this will extend to cover them while they are working from home during this period.

Am I covered for my contents that my employees take home in order to work there?

Generally, we give cover of up to €32,500 for contents other than laptops, tablets or mobile phones that are at employees' homes. Laptops, tablets or mobile phones can be covered under our Property Away cover if you have chosen to take out that additional cover.

What happens if my premises are left unoccupied?

We normally ask you to tell us if your property is going to be left unoccupied for more than 30 consecutive days. Given the exceptional circumstances at the moment, we are extending this period to 90 days.

We recommend to shut off the water supply to the premises, and ensure that any measures to prevent thefts are taken, such as locking away equipment and setting intruder alarms.

One of our employees contracted Covid-19 and we were directed by the government / the HSE to close our premises in order to conduct a deep clean. Are we covered?

Yes. There is an occurrence of an insured peril as you were unable to use your premises due to restrictions imposed in relation to the use of your premises by a government authority following an occurrence of a notifiable human disease. However, you will only be covered for financial losses that result solely and directly from the restrictions imposed on your premises.

A business in the locality of our insured premises has closed due to an outbreak of Covid-19 at those premises. This has impacted our business and reduced our income and/or profit. Can we recover our losses under the policy because this nearby business has closed?

No. Unless restrictions were imposed and you were unable to use your insured premises due to those restrictions, the closure of another business in the locality does not constitute an insured peril.

In advance of any government advice, we decided to voluntarily shut our business to protect the welfare of our employees. Are we covered under our Business Interruption cover?

No. There is no occurrence of an insured peril and in any event you decided to shut your business voluntarily. There is no Covid-19 cover in these circumstances. There may be cover from a later date if restrictions were imposed and the other requirements for cover are met.

The government or a local authority has issued an advisory ban or mandatory restriction on the opening of businesses generally or specifically to our industry. Are we covered?

Restrictions directed at your industry by a public authority will be sufficient to trigger cover provided that they also applied to your specific business and the other requirements for cover have been met. If for example your business was required to close following the announcements made by the Taoiseach on 24 or 27 March 2020 or following the introduction of regulations on 8 April 2020, cover may be triggered under your policy. Cover will not be triggered however by a general instruction to the public to stay at home or in circumstances where your business is not premises reliant and your business continued to operate remotely.

Our business is considered to be an "essential service" but we have decided to close the business to protect our staff and customers. Are we covered for these financial losses?

In these circumstances there is no occurrence of an insured peril and in any event you have decided to shut your business voluntarily. There is no Covid-19 cover in these circumstances.

We are keeping our business open, but we are experiencing a reduction in custom and a subsequent loss of income/profit as a result of the Government's social distancing advice relating to Covid-19. Are we covered for these financial losses?

No. The business is open and there is no occurrence of an insured peril. There is no Covid-19 cover in these circumstances.

We do not currently have the funds to pay our premium. What are our options?

We have extended our credit terms from 30 days to 60 days to allow time for premiums to be paid by our customers.

Customers are also welcome to switch their premium payment from full payment of the annual premium to interest free direct debit. If you have any other specific issues in respect of payment please contact your broker and we will endeavour to assist you.

Due to the current circumstances, I may not be able to reach my broker to instruct cover. Will I still be covered?

Hiscox will only proceed to lapse cover on policies when we receive an instruction to do so from a broker. We will provide an automatic extension in cover to ensure that the customer is covered during this difficult period.

Who should I contact if I have any queries or wish to discuss my claim?

You should contact your broker in the first instance or contact us directly on +353 (0) 1 2381810.

I'm not happy with the outcome of my claim, what are my rights?

If you are unhappy with the outcome of your claim, please contact us at 01 2381810. We have 40 business days in which to investigate and make a decision on any complaint you might have.

If following further investigation into your complaint, you remain dissatisfied with our final response letter, or if a final response letter has not been issued to you within 40 business days of your complaint being referred to us, you may also have the right to refer your complaint to the Financial Services and Pensions Ombudsman.

The contact details are as follows:

The Financial Services and Pensions Ombudsman's Bureau, Lincoln House, Lincoln Place, Dublin 2.

Telephone: 01 567 7000

Email: info@fspo.ie

Web: www.fspo.ie

