

Insurer Responses To Covid-19

With a number of commercial premises temporarily shut as a result of Covid-19, insurers have provided an overview of their position as to how to deal with these vacancies. This is not an exhaustive list and as the situation develops this may change, however, the underlying position is that they would look for your best endeavors to maintain the best security possible and whilst maintaining a common sense approach within the permitted Government guidelines.

Please review your policy and refer to the insurer position as follows.

Aviva

We just wanted to reassure you that we're here to support your clients in protecting their business assets and employees for the long term, so that when it's safe to do so, they'll be ready to re-open.

So, by following the five simple steps below whilst closed to the public due to Government guidance, their cover will remain unaffected:

1. Carrying out internal and external inspections of their building/s at least once a week.
2. Maintaining a weekly log of inspections.
3. Immediately repairing, or arranging to repair, any issues detected (including removal of graffiti and in the security or alarm or fire protection installations).
4. Removing any waste from the premises either inside or outside the building/s.
5. Checking to make sure all the external doors are locked and closing and securing all windows.

Government guidance allows those responsible for premises to attend them for inspections and maintenance even where they are otherwise closed. These steps will therefore remain in place until such time the Government's guidance changes. When this happens, we'll be in touch to let you know how this affects our current position.

We do however recognise that there may be circumstances where it's not possible for weekly inspections to be undertaken, and where this is the case, please contact your local underwriter to discuss and agree an appropriate approach. There may also be some businesses who unfortunately have to cease trading entirely during the lockdown period, and where this is the case, we'd also ask you to notify your local underwriter immediately so that we can provide you and your clients with the appropriate support.

AXA

On Monday 4 January the UK Government announced a further national lockdown in England, commencing immediately for an unspecified time period, which sits alongside similar further tightening of rules and regulations in Wales, Scotland and Northern Ireland.

We therefore felt it was important to remind our customers of the impact this situation has on property insurances and of the support and guidance AXA can offer in the management of unoccupied buildings during this challenging time. Further to earlier updates, all of our customers who have a property insurance element to their policy have a minimum 30-day definition of unoccupancy/empty (some customers may have longer periods specified in their policy, in which case the longer period applies).

If a building is unoccupied for longer than 30 days (or longer if specified) we ask that our customers notify AXA as soon as practically possible via their normal contact point.

This is potentially a greater issue than under previous lockdowns due to:

- the mixture of the original national lockdowns, regional / local lockdowns and the English UK tiered system mean that many (if not most) affected businesses will have already been closed and therefore have either reached the 30 day limit or will be approaching it.
- the move into the coldest part of the year when “freezes” and bad weather significantly increase the risk of damage to property.

In normal circumstances AXA would charge additional premiums as well as restricting or limiting cover to reflect the increased risk of unoccupied buildings, but during this challenging time we are committed to supporting our customers where we can. Consequently, we are renewing our commitment not to charge any customer additional premium due to a building being unoccupied solely as a result of Government lockdown or furloughing of staff due to Covid-19.

In addition, we will not normally restrict the perils insured or increase the excess unless there are specific concerns regarding the risk in question, the previous loss experience or the ability to comply with standard risk management precautions. Similarly, we will only specify additional security requirements in exceptional circumstances where there are specific risk-based concerns.

Upon notification to us our local teams will advise what requirements should be put in place to protect the unoccupied building(s). This will generally be as follows:

1. The building should be inspected internally and externally at least once per week.
2. That refuse, waste and any mail is regularly removed from the building.
3. The building is fully secured using all protective locking devices available, setting any alarms and activating any CCTV available.
4. Ensure that gas and electricity supplies are turned off at the mains – except any electricity required to maintain essential building services, alarms or to run computer servers etc. whilst working from home.

5. Any empty building or empty part of the building has its water supply isolated at the mains. For extended empty periods that water and heating systems are fully drained-down – this is particularly important for protection of our customers buildings during this time of year.

If for any reason – such as ‘shielding’ – the customer is not able to comply with the above requirements in person please advise us and we will recommend third party contractors who will be able to assist, or we may be able to propose alternative solutions.

These five key risk management requirements are fundamental for the preservation of property during this challenging period. If a customer can't meet these requirements in full please advise your local AXA contact immediately and we will discuss potential alternative solutions.

Please note that these benefits only apply to buildings which are unoccupied due to Government lockdown. Buildings which are long-term unoccupied, where a tenancy has ended, or the occupier has formally ceased trading, will be subject to our standard underwriting approach.

We appreciate that the current situation can be confusing for customers with so many full, partial and regional lockdowns so we would like to make the following clarifications:

- If a building is occupied/trading for at least seven consecutive working days a fresh 30-day unoccupancy waiver period is provided. Customers do not need to notify us that the building is unoccupied until the 30 days is exceeded.
- If a building was unoccupied prior to the announcement on 4 January, the 30-day period starts from the date the building became unoccupied and not the 4 January.
- If a building is partially occupied, such as a restaurant undertaking take-away business or a retailer undertaking click and collect business, we do not regard it as unoccupied and there is no need to notify AXA.
- Larger buildings which are partially occupied are not regarded as unoccupied, provided that approximately 50% of the floor space is occupied (e.g. at least three floors of a six-storey building).

If you have any further questions or concerns regarding the approach to the management of unoccupied buildings, please do not hesitate to contact your local AXA representative. Please also note that our preferred security partner – First Response Group – will continue to operate should you need their support in protecting an unoccupied building.

Ageas

Most of our products and schemes have unoccupancy conditions that set out what cover will be maintained including; when that will be restricted, and what actions policyholders need to undertake. Where any premises becomes temporarily unoccupied as a consequence of COVID-19, we'll not restrict cover from the time the unoccupancy starts, until such time as the restrictions on premises being used or occupied are lifted. This is subject to policyholders applying appropriate best endeavors to manage their premises, including appropriate security measures while they are closed, and adhering to governmental advice and action. You don't need to notify us of the unoccupancy, where it occurs as a result of COVID-19. This amended approach will apply for the next 60 days (from 24 March 2020). We may (subject to review) extend this period further.

Allianz

Unoccupied Premises

Given the current situation, we appreciate that your customers may have had to temporarily leave their premises unoccupied due to the Covid-19 outbreak.

We usually ask that you notify us if the premises are going to be unoccupied for more than 30 consecutive days for Allianz Commercial standard policy wordings, or 45 days for SME wordings. We're now extending this period to 60 days, so you only need to let us know at the end of the 60 day period if the premises will still be unoccupied. During that 60 day period your customer's existing cover will remain in place.

If your customer's premises were already unoccupied before the Covid-19 outbreak, and your customer is unable to meet the terms of our unoccupied conditions due to the current restrictions, please get in touch with St Giles.

Covea

Where Premises under our Commercial and Residentially-let Policies have had to become temporarily unoccupied due to Covid-19 restrictions announced by the Government, brokers and customers will not need to advise us of the temporary unoccupied status of the property, and the existing level of cover will continue for a period of 90 consecutive days from the date the Premises was closed.

Risk Management requirements will still apply after 45 consecutive days of temporary unoccupancy, with the exception of compulsory inspection at times when customers are unable to do so safely. Customers will be required to inspect such Premises when they are next able to do so safely around this period, and maintain logs of this activity.

Where unoccupancy is not due to Covid-19, normal Policy Conditions apply.

For any queries not covered by this statement, agreement from us is required.

Risk Management Guidance

- **Waste** – Remove all external waste, pallets and empty skips before closure of the premises.
- **Waste bins** – Empty all waste bins and move to a secure area, ideally at least 10 metres from the building. If it is not possible to keep at least 10 metres then these bins should have lockable lids.
- **Fire Systems** – Ensure all fire and/or sprinkler systems remain fully operational.
- **Fire Doors** – Check to ensure that internal fire doors are closed.
- **Building Utilities** – Ensure all non-essential electrical devices and building utilities are turned off.
- **Inspections** – Arrange for a weekly inspection of the building (internally and externally), risk assess for any lone working issues. Comply with existing government guidance regarding vulnerable people and lone worker risk assessments. Consider the provisioning for alternative skilled personnel.

- **Physical Security** – Check that physical security measures are in place and effective. For example, fences are fit for purpose and in good repair, windows are locked, shutters are in place, gates are locked.
- **Intruder Alarm** – Set Intruder alarms and ensure that the remote signalling is in place. Make sure there are a sufficient number of key holders available to respond to an activation within 20 minutes.
- **Maintenance** – As long as it is practical, continue essential maintenance and complete any remedial measures. Continue to respond to all Building Management Systems (BMS) alerts.

NIG

We are now into the second month of lockdown 3.0 and the Prime Minister has confirmed we are at least a further month from considering lifting restrictions. It is at this point, under normal circumstances, that many of our Packaged products would be automatically reducing coverage for premises that remain unoccupied. As we acknowledge the continued national effort to control the virus, we can confirm that full coverage will continue without notification for unoccupied properties that meet the following conditions:

- The property is mandated to close according to the latest COVID lockdown rules
- The premises are inspected internally at least once every 7 days, by or on behalf of the Insured
- All trade refuse and waste materials are removed from the interior of the premises, with no accumulation of refuse or waste being allowed in the adjoining yards or spaces owned by the Insured
- The premises are secure at all times, by putting all fastenings and protections, including locking devices and any alarm protection, into full and effective operation
- The gas, water and electricity supplies, are turned off at the mains (except electricity needed to maintain any fire or intruder alarm systems, or water and heating systems for sprinklered premises)

These conditions and provisions will apply to all NIG Commercial policies.

As ever, we appreciate the efforts that businesses continue to make in order to maintain trading as well as abide by Government restrictions. Therefore, if there are alterations required to reflect a change in trading behaviour, or if sections of cover are no longer required please let us know. For certain products Mid Term Amendments can be processed electronically.

QBE

Currently within our policies we have a condition that relates to unoccupied buildings, which we will seek to maintain for current vacant premises, prior to the Coronavirus outbreak. However, for any properties that are temporarily unoccupied as a result for the Coronavirus outbreak we would seek to provide the following assurance.

During the Coronavirus outbreak, and for the period of Government required closure of any premises, the following policy operations will apply:

- The unoccupied building conditions within the policy will not apply for any impacted property and we will not be taking any further measures to restrict coverage.
- Should any premises remain unoccupied once any applicable Government restrictions are lifted, we would consider any such property to be subject to the unoccupied building conditions of the policy after a period of 7 days. With this in mind please note the Other Considerations section of the Risk Management advice contained herein as well as advice from your broker.
- Any inspection provisions within the policy are waived during the period of Government restrictions, other than those deemed to be required for statutory purposes.
- If during the Coronavirus outbreak, you repurpose your premises to undertake different activities please contact QBE or your broker to discuss this further.

In consideration of the above, we would also wish to advise policy holders of our best practice risk management advice for temporarily unoccupied premises during the Coronavirus outbreak.

Risk Management Advice

Equipment and Building Utilities

- Ensure all equipment is safely turned off and, in a condition, where it can be left for an extended period without damage or degradation.
- Remove from or drain processing equipment of flammable, combustible or hazardous liquids and materials. These should be appropriately disposed of or stored safely for re-use.
- Isolate electrical circuits where you can (without affecting security, CCTV or fire systems).
- Turn off the mains water supply. Make sure this does not isolate any sprinkler or other fire systems you have.
- Don't worry too much about draining heating or other stored water systems but if possible isolate storage / header tanks from any distribution pipework.
- If it is safe to do so, isolate the incoming gas supply.
- Make a list of all services or other valves you have isolated (and where they are) to ensure you reinstate them all.

Fire Systems/Doors

- Ensure that any fire and/or sprinkler systems are fully operational.
- Carry out a check to ensure that internal fire doors are closed.
- Check that the fire alarm panel is fault free and all fire detection systems are fully operational.

Waste

- Remove all external waste, pallets and empty skips ahead of closing.
- Empty all waste bins and relocate to a secure area, ideally at least 10 metres from the building. If this is not possible and bins and skips are within 10metres, these should have lockable lids.

Physical Security

- Carry out a check to ensure physical security measures are in place e.g. fences are in good repair, windows are locked and boarded if appropriate, shutters are in place where appropriate, gates and doors are locked, and letter boxes secured closed.
- Shop fronts with no internal or external roller shutters to have shop front displays cleared of stock.
- Make sure your intruder alarm is set and that the remote signalling is in place.
- Ensure sufficient numbers of keyholders are available to respond to an alarm activation within 20 minutes, and any other building management system alarm that may be triggered.

Other Considerations

- It is also prudent to consider the following for any planned longer-term building closure;
 - Awareness of vacant property management companies.
 - Removal of high value or critical equipment to a secure location.
 - Additional building security features (boarding windows etc).
 - Further isolation of building services and draining down of wet systems.
 - Clearly posted emergency contact details.

Travelers

Travelers Insurance Company Limited (TICL) recognises that many of our customers have been forced to close or conduct only limited operations due to the unprecedented government directions in response to COVID-19.

For the purpose of applying the unoccupancy exclusions and conditions in our policies, TICL has decided not to count the days that a building is unoccupied solely because of government directions due to COVID-19. This decision will continue until the earlier of the following:

- The date on which the government directions due to COVID-19 are lifted; or
- 1 June 2020.

Please note that whether a building is unoccupied and the application of coverage depends on the facts and circumstances of each loss, all applicable policy provisions, and any applicable law. It should also be noted that the decision to provide temporary relief from the application of unoccupancy exclusions and conditions does not extend to any other term or condition, and this decision does not amend, or otherwise affect, the provisions or coverages of any insurance policy issued by Travelers. Nor is it a representation that coverage does or does not exist for any particular claim or loss under any such policy.

Wherever reasonable, and where it is permissible within the government guidance, insureds should be proactive in protecting their properties.

With immediate effect this direction remains in place until 1 June 2020. Travelers will continue to monitor the situation and communicate any decisions to extend this direction after 1 June 2020.

Finally, please continue to notify Travelers when buildings are unoccupied.

This information is to be used only to provide a description of how coverage may apply in relation to Coronavirus. This information does not amend, or otherwise affect, the coverage, terms or conditions of any policy.

This information is not a representation that coverage does or does not exist for any particular claim or loss under any policy. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy terms and conditions, and any applicable law.

Zurich

It is our intention that where buildings are temporarily closed due to the COVID-19 outbreak, our Unoccupied Conditions will not apply and we will not be taking any further measures to restrict coverage.

Zurich recognise the challenges faced by our customers as buildings are forced to close or operate on a limited basis going forward.

Customers should continue to follow the risk management advice below and where possible the existing provisions of physical security and monitoring should remain in place:

- New Construction Sites Closure
- Temporary Closure of Buildings
- Temporary Closure of Buildings undergoing Refurbishment
- Partial Closure of Buildings

We would encourage continued/daily onsite presence and if provisions exist for building closures already, i.e.. procedures taken during holiday periods, then these procedures should be taken forward during this unprecedented time. Where a site usually has a 24/7 presence and there are not adequate measures on site in the event of unoccupied closure (such as the absence of an intruder alarm) then please refer to your broker.

If you are unclear on any aspect or have any additional questions please don't hesitate to speak to the team.

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