

10 COVID- 19 related insurance tips for SMEs

When a national lockdown was imposed in March 2020, UK insurers adapted to recognise the unprecedented circumstances that businesses faced. As the country looks towards economic recovery and control of Covid-19, many insurers are providing their business customers with extensive toolkits, including guidance and checklists, to support them as they re-open safely. You can actively seek support, including from your insurance brokers and insurers, to check what guidance is available, and whether your insurer is reapplying any policy conditions. It is important to establish what steps you may need to take to comply with such conditions and to maintain sufficient insurance cover in a changing and challenging environment.

Our **10 Tips** highlight key areas, but if you have any doubts why not check with your insurance broker or insurer.

- 1. Home working and home insurance:** Insurers agreed to waive the requirement for you to tell them that you were working from home on clerical matters if you had to do so because of lockdown. Most insurers have agreed to extend this waiver until the end of December 2020. If you continue to work from home after that, have plans to work from home on a more regular basis, have any business visitors to your property, or are completing any work that is more than clerical, you may need to let your broker or insurer know.
- 2. Motor insurance:** Employees who are using their own vehicles to help with volunteering activities during the pandemic did not have to tell their insurers about this change of use. Most insurers have agreed to extend this waiver until the end of December 2020. Those that continue to use their vehicle for volunteering after this date may need to check with their insurer or broker.
- 3. Unoccupied property:** Many insurers increased period that premises could be unoccupied without telling your insurer to 90 days so that after the standard allowable 30 days, cover was not restricted. The change recognised the logistical challenges that you may have faced trying to visit your property during lockdown. Most insurers have gone back to needing to know properties are unoccupied for more than 30 days so if this applies to your premises, you must tell your insurer and your cover may be restricted. You may need to put in place a regular rota of visits to the premises to check that they are secure and there has been no damage such as from escape of water.
- 4. Non-disclosure:** After the pandemic was declared many insurers recognised the difficulties you may have faced in telling them about changes to your business or new material facts right away. Some insurers changed their wording to allow 30 days breathing space for you or your broker to give them updated information – for example, notification of a claim that happened in the previous policy year. Insurers now once again need to know about changes immediately, so it is vital that you disclose changes fully and quickly. Read more in our [Insurance Guide for SMEs](#).

- 5. Statutory inspections:** During lockdown it may have been impossible for you or your property landlords or agents to schedule required inspections of critical equipment such as lifts, escalators and boilers because of the strain on resources of insurers' engineers and the risk to them of entering premises. Make sure that your certificates are now up to date and if in any doubt, contact your insurance broker or insurer.
- 6. Risk recommendations:** During lockdown, insurers took a flexible approach to the time needed to complete outstanding risk recommendations they made when you bought or renewed your insurance. If you still have any outstanding risk recommendations (for example, upgrading your alarm systems), it is a good idea to give your broker or insurer an update on the status of each and the expected date for completion. It is important to have this revised timetable agreed in writing by the insurer.
- 7. Furloughed employees:** As and when the furlough scheme is unwound, it is important to share updated wage roll information with your insurer.
- 8. Payment holidays:** Many insurers agreed payment holidays on instalment facilities or to extended credit terms or staged instalment plans on premiums if requested, to assist cashflow. If you took up this offer it would be a good idea to contact your broker or insurer to check the current position as falling behind in premium payments could make your insurance invalid.
- 9. New exclusions:** Insurers have looked to clarify the extent of cover relating to pandemics in their policies. It is worth asking your broker or your insurer to what extent Covid-19 and other disease cover now applies to your policy and if there are sections of cover where new exclusions apply, for example, in your business interruption section or to other sections as well.
- 10. Business interruption claims:** In general, very few policies had the infectious disease extension that could enable you to make a claim if you could not trade, but it is worth looking closely at your policy and if in doubt contacting your broker or insurer for advice. The High Court recently ruled on whether claims for business interruption losses resulting from the pandemic are covered. The Court judged that some policies do provide cover and the insurance regulator, the Financial Conduct Authority has requested insurers to contact the affected policyholders.

Insurance can be a complex subject. If you are uncertain about what you need to do it is important to seek help including from trade associations, insurers and insurance brokers. To help you find the type of insurance that best suits your needs and guide you in the event of a claim many businesses use an insurance broker. If you need to get in touch with an insurance broker, try BIBA's Find Insurance Service [online](#) or call 0370 9501790.

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