

# NEWS BRIEF

Provided by Mark Richard Insurance Brokers

25<sup>th</sup> March 2020

## Coronavirus in the UK

### Unoccupancy – Insurance Policy Terms & Conditions

If following the announcement of the “lock-down”, you are leaving your premises unoccupied, then most insurers require that you put in place certain measures. This varies from one insurer to another and so you must read your particular terms to understand what they require. If you need guidance on this, please contact us.

Many Insurers are giving these terms sympathetic consideration and those Insurers that have announced their reaction/decision is stated below. These are likely to change as we progress through these difficult times so we will endeavour to update our News Brief as and when developments arise.

Below are extracts from statements made by insurers as of 14:30 GMT 25/03/2020:

#### 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 endeavours 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

We are waiting for the official news release but have been informed that Allianz are extending the unoccupancy period before you need to notify them from 30 to 60 days. This applies only if the property has closed due to the Government advice about social isolation/distancing during the virus outbreak.



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## **ANSVAR (A DIVISION OF ECCLESIASTICAL)**

As more and more employees are working from home, and no longer at the insured buildings, you may be concerned that the policy will regard your buildings as unoccupied, untenanted, empty or disused and your cover then restricted.

For an initial period up to and including the 30th June 2020, we will withhold the:

- restrictive policy cover for unoccupancy, and
- policy General Condition that requires you to inform us of the buildings being, or expected to be, unoccupied

should your employees be forced to work from home as a result of the COVID-19 outbreak.

However, if your building is no longer occupied this represents a greater risk of significant damage which could delay your organisation getting back up and running, once the current COVID-19 outbreak has passed.

With this in mind we would advise, **where you are able to do so safely and within the current government guidelines**, you try to ensure that:

1. the buildings are inspected internally and externally by an authorised person once a week to check the security and general condition of the premises;
2. all waste, refuse and other disused combustible materials is cleared from the buildings and any grounds adjacent to it;
3. all external doors are securely locked and all opening windows closed and locked (where fitted with locking devices);
4. all tanks and pipes are drained down where and when you are able to do this, and all taps, stopcocks and mains supply valves turned off. If this is not possible, because you need to maintain a central heating system, a minimum temperature of 7°C should be maintained.
5. a) gas supplies should be switched off unless to maintain a central heating system  
b) electricity supplies should be switched off unless to maintain a central heating system or existing intruder alarm systems, fire protection systems, CCTV, security lighting or sprinkler systems.
6. all existing physical devices for securing, or preventing access to the buildings must be kept in full and effective operation at all times and to have all keys removed from the locks and kept in a secure place away from the premises;

We recognise that you may not be able to complete all of the items listed above, either partially or in their entirety but we would encourage you to consider anything you can do, to reduce the risk of damage or loss, particularly through escaping water from heating systems and security of the premises generally. Your cooperation during this difficult time is very much appreciated.

All other policy terms, conditions and exceptions are unchanged. We will review these changes towards the end of June.

## **NIG**

The recent Government announcement means more businesses will close and many will be working from home. Therefore, many more properties will be unoccupied for the next few weeks, and potentially beyond.

Within NIG's standard policies, cover will continue to be in force for any Commercial premises temporarily unoccupied for a period of up to 30 consecutive days, and 90 days for premises insured under our Property Owners contract. From 24th March 2020, we are extending this period to 60 consecutive days for Commercial premises or 90 days for Property Owners temporarily closing during to COVID-19, before we ask to be notified. For any clients whose premises is going to be out of use for longer than this, you need to notify us using your normal NIG contacts.

Any building left unoccupied naturally poses a greater insurance risk and we therefore need businesses to take the following additional measures for the above extension to apply:

- That the Premises is secured, by putting all protective, locking devices and any alarm protection, in effective operation.
- Where practical, turn off the gas, water and electricity supplies at the mains (except electricity needed to maintain any fire or intruder alarm systems, or water and heating systems for sprinklered Premises).
- Where possible, the Insured or their representative should visit once every 7 days to physically check the premises and carry out immediately any work necessary to maintain the security of the premises in all respects.
- Remove all trade refuse and waste materials from the interior of the Premises, allowing no accumulation of refuse or waste in the adjoining yards or spaces owned by the Insured.

All other Conditions requiring Policyholders to take action or respond to intruder alarm activations, faults or other maintenance-related matters will continue to apply unless otherwise agreed to be impractical due to COVID19 Government-directed actions limiting or restricting the movement of people.

## **ZURICH**

This bulletin is intended to update you on the Zurich position with regards to temporary closure of buildings as a result of COVID-19. It applies across all Zurich property business, including Commercial Insurance, Zurich Municipal and Zurich Retail businesses.

We are committed to treating our customers fairly and so we accept that where our customers are making appropriate provisions to mitigate their unoccupied risk as a result of Coronavirus, the temporary closure of your building should not prejudice any claim made.

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, ie. 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 this to the relevant Zurich underwriting department.

If we have made specific requirement of you with regards to security and as a result of the ongoing situation you are unable to comply with these measures please contact your usual Zurich contact/underwriter and we will be happy to work with you to address the issue.

We will continue to monitor the situation and will inform you of any further updates regarding our stance on temporarily closed buildings in due course.

**IF YOUR INSURER IS NOT NOTED ABOVE THEN THEIR POSITION WILL BE AS STATED IN YOUR POLICY.**

## **CONTACT US**

Naturally, if you have any doubt then please do not hesitate to contact your Account Executive on the below details. As I'm sure you will appreciate you may not be able to reach us immediately, and your patience would be very much appreciated. That said, one of the best ways of contacting us will be to email your Account Executive. You can phone if you prefer but please be patient if you don't get through.

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Many thanks for your cooperation during this unprecedented times.