

CORONAVIRUS

Advice for our Clients

To our valued client,

As you know, at CCRS, our dedicated team work diligently all year round to provide you with exceptional service and expertise. And at this uncertain time, it is no different. We are continuing to follow government guidance and have implemented our business continuity plan that allows us to safely support our clients, partners and staff as we work through this uncertain period.

As the spread of Coronavirus (Covid-19) continues to develop and with the increased need for social distancing, it is a worrying time for many businesses. The situation is constantly evolving and we are hearing announcements from the UK Government daily. **At CCRS, we are here to assist you in any way we can. If you have any concerns please do not hesitate to contact your CCRS Account Director at anytime.**

With the information we currently have, we have provided you below with some practical advice on dealing with Covid-19 in your business as well as insurance-related advice and updates. There are also some useful links to external website sources and information on the latest Government Coronavirus financial support.

Practical Advice for Your Business

- Ensure your workers are aware of the symptoms of Coronavirus and Covid-19 (as published on official government websites) and have clear procedures in place for reporting these to you
- Ensure you are aware of what measures would be required of you should an actual or suspected case be reported to you
- Ensure you are aware of the up to date government advice on what people with symptoms (or those who have recently returned from countries where there are known issues) should do and communicate this to your employees
- Ensure your workers are aware of the current government advice on how to avoid infection (eg washing hands, not touching face, catching coughs/sneezes and disposing of tissues) and be vigilant in enforcing this
- Review your business continuity planning and disaster recovery procedures to ensure they are up to date and take account of the current situation as far as they can
- Be aware of any potential supply chain issues
- Accepting that resources are likely to be stretched at the moment, as much as you can review and update risk assessments and work method statements where relevant to take account of the current situation

- Consider the general potential health and safety impact of any change in working practices (eg different shift patterns, different operating times or new workers required to replace self isolating employees) both on the people and your machinery/equipment
- If home working is being carried out to a greater extent than normal, consider the health and safety implications and conduct the appropriate home and work equipment risk assessments when reasonably practical to do so
- As far as you can in the current circumstances, ensure any work equipment, furniture and the like being used for home working (whether supplied by you or not) is suitable for such a purpose
- If you are relying more on online systems and services to conduct your operations you should review the data protection and cyber security implications of this
- If contracts or orders are not going to be able to be fulfilled, review the terms and conditions of these and, where appropriate, contact your customers to negotiate revised terms to avoid penalties

Potential Practical Insurance Implications to Consider

- If work equipment is being moved to employees homes (eg computers or office furniture/equipment) please let us know so we can review whether the cover you have for such items takes account of this or has to be amended
- Non manual work away from your normal business premises within the UK is generally covered by Employers' Liability insurances – if any manual work will be done out with the normal business premises details of this would have to be provided in order to arrange cover
- If you are considering or are going to be diversifying in to different products or services or to supplying different types or geographic locations of customers than those we are currently aware of, please provide us with details so we can review if this falls within your current cover arrangements
- If you are considering or are going to be carrying out different trade processes full details of this will be required as insurers may consider this to be an increased risk
- If you are considering conducting any operations from different premises, full details of this would be required before insurance cover could be arranged
- If all or parts (or a significant part) of your premises are going to be out of use for an extended period (beyond 30 days) we will have to be advised of this as the insurer would consider this to be 'unoccupancy' which they consider a higher risk
- If you have equipment on and/or are responsible for a contract site, any cessation of work at the site should be notified to us as most contract works covers exclude cover after a certain time period has elapsed without work being carried out
- If you require to use business vehicles for transporting employees due to public transport restrictions this should generally be covered under standard business use provided no direct or indirect charge is being made and the vehicles are already known to the insurer
- If you intend to utilise different types of business vehicle (for example hiring a minibus) this should be referred to ourselves in advance to see if the insurer is willing to accommodate this
- All current and/or previously notified insurance policy terms, conditions, exclusions, restrictions and subjectivities continue to apply to the insurance policies we arrange – any changes you are implementing or considering should be reviewed in conjunction with these – if you are unable to comply with the terms of the insurance policies or you are unsure please contact us immediately

Current Insurance Market Situation

In general insurers are trying to be understanding that these are not normal circumstances and we are hopeful they are able to accommodate necessary alterations to your practices. They are, however, not in a position to write a 'blank cheque' **so our advice would be to refer to ourselves with as much information as possible at an early stage as possible regarding changes to your operations or normal practices.** Please also bear in mind that the insurers themselves are instigating business continuity arrangements and are having high levels of queries directed at them so our normal timescales for obtaining a response from them may not be able to be met at all times.

As a general rule, Coronavirus and Covid-19 related incidents are not insured in the current commercial insurance market. Circumstances such as you choosing to close or restrict access to your premises for reasons out with a government or local authority order due to an outbreak at the premises, your customer base putting potential contracts on hold, jobs not being able to be tendered for or pre existing customers suffering financial difficulties leading to non payment to yourselves, unfortunately, are not insured and are not something which is insurable in the market.

There are new announcements regularly being made by the UK and devolved governments on the current unprecedented situation. This may result in practical changes such as mandating insurance companies to be less strict in their policy wording interpretations or direct aid or compensation being available from government bodies (in addition to the loan guarantees, grants and other measures already announced earlier this week). The financial records and documents mentioned above should therefore be still be retained and collated in the event other avenues to obtain financial assistance become available.

What are BIBA doing, and What else can you do?

We are in constant dialogue with insurers with regard to their response to the current situation and our trade body, **The British Insurance Brokers Association (BIBA)** are also lobbying the government and insurers to ensure businesses have wider protections in place than would normally be the case. We would also urge yourselves and any trade or similar bodies you are affiliated with to conduct their own lobbying to ensure the authorities understand the seriousness of effects of the pandemic on you, the potential consequences on you and your workers and the practical difficulties you need assistance with. This includes contacting your local MP, MSP/AM/MLA (where relevant) and councillors emphasising the limited nature of insurance protection available and the need for additional assistance from public funds.

Examples of Insurance Covers Impacted by the Pandemic

Business Travel

If the Foreign and Commonwealth Office advice has changed since the trip was booked meaning either all travel or all but essential travel is now advised against and/or the trip can't take place because the transportation or destination are no longer available then this should normally be covered by the Cancellation section of a travel insurance policy. A decision to cancel by yourself prior to such circumstances occurring would not be insured.



You should always try to obtain a refund from the provider in the first instance. If this is refused, payments by credit card may have an element of consumer protection. If neither of these are the case then the insurer should consider the claim. If anybody is stranded abroad you should refer to the emergency assistance service helplines, web sites and/or apps which are available with business travel insurance policies. We can provide you with details of these if required.

Employers Liability

An employee becoming ill by itself is not a trigger for a claim under this cover. If an employee subsequently makes a claim alleging an illness was contracted due to negligence of the employer, a claim can be made and it will be the insurer's decision whether to defend or pay such a claim dependent on the individual circumstances. The definition of 'injury' on such policies will include illness or disease (or words to that effect). You should consider making a notification to us of any illnesses you become aware of so we have it on record should a future claim come in. If there appears to be some type of mass outbreak directly linked to you or your premises then we should be notified of such a circumstance.

It is normal that policies automatically allow for non manual work away from the normal business premises within the territorial limits if you are asking people to work from home. If any type of manual work is being done at home or otherwise at an alternative premises this is not likely to be automatically covered and would need referred to the insurer.

Public Liability

A third party becoming ill by itself is not a trigger for a claim under this cover. If a third party subsequently makes a claim alleging an illness was contracted due to negligence on your part, a claim can be made and it will be the insurer's decision whether to defend or pay such a claim dependent on the individual circumstances. The definition of 'injury' on such policies will include illness or disease (or words to that effect). The same comments as above for notifying illnesses and work away apply to this cover as well.

Material Damage/Computer/Supplementary All Risks

Cover for contents items under material damage covers tend to be restricted to the specified risk address. If any equipment is being moved out with the normal business premises to accommodate work from home, this will need to be notified to the insurer to have cover extended.

Certain computer policies may allow for cover within the territorial limits rather than just being restricted to a specified premises but this should be checked with us.

Some policies may have a supplementary all risks type cover included for items within certain territorial limits (or it may be an optional section available to be added on to a policy). This may allow for equipment to be used outside the normal business premises but the limits will have to be reviewed if more items will be taken home by employees.

Business Interruption

Standard cover will not result in a valid claim because this is dependent on there being an insured material damage peril being the cause of the interruption. A standard denial of access extension is not valid because this is dependent on there being a material damage peril incident in the vicinity. Some insurers offer a non damage denial of access extension as an option. Wordings on these vary but some specifically exclude disease incidents and they are also often restricted to incidents in a certain vicinity.

A disease extension can also be available as an option. Wordings differ between insurers but there are various reasons why this is not likely to leave you with any cover in practice in the current circumstances as follows:

- The trigger for the cover to operate is usually a government or competent authority order to close the premises – this has not actually happened but there has been an agreement with the Association of British Insurers that the current government advice for people to avoid certain types of premises will now be treated in the same way as a government order. This does not override the other barriers to a disease extension being activated as summarised below.
- Some insurers have a list of notifiable diseases which will not include Coronavirus or Covid-19. This is deliberate on their part as they did not want to be exposed to unknown future circumstances when the policy wording was drafted.
- The wordings also usually stipulate that there has to be a disease at the insured premises. In the absence of a confirmed case (and without wide testing being done somebody self isolating due to falling unwell by itself is not a confirmed case) an incident still doesn't fall in to what is covered in the wording.
- Some wordings allow for an order as a result of a notifiable disease within a certain vicinity. A general nationwide instruction does not override this.
- This type of extension usually has a low inner limit and a limited indemnity period as well. The reason is the cover is intended for short period disruption until premises can be cleaned to be operational again.
- Policies coming up for renewal will likely be getting any possibility of cover endorsed out of them by insurers.

Premium Finance Instalments

If you pay your insurance premium by instalments under a finance agreement we have arranged on your behalf and require assistance in restructuring payments you should contact the finance provider to discuss this. They should be able to take reasonable steps to assist you. If you require contact details and any contract reference numbers please contact your CCRS Account Director.

Coronavirus Financial Support

The Chancellor has set out a package of measures to support businesses through this period of disruption. Details on this package of support can be found here:

[Gov.uk - Support for Businesses](#)

Coronavirus advice for businesses in Scotland can also be found here:

[Advice for Scottish Businesses](#)

Here are some top-level points on each scheme:

Coronavirus Job Retention Scheme

Under the Coronavirus Job Retention Scheme, all UK employers will be able to access support to continue paying part of their employees' salary for those employees that would otherwise have been laid off during this crisis. All UK businesses are eligible.

Deferring VAT and Income Payments

UK Government will support businesses by deferring Value Added Tax (VAT) payments for 3 months. If you're self-employed, Income Tax payments due in July 2020 under the Self-Assessment system will be deferred to January 2021.

Small Business Grant Fund – Details on how to apply will be released in the coming days

Economy Secretary Fiona Hyslop has confirmed that Scottish businesses will get £2.2 billion of support to become available from the **1st of April**. To break this down, support includes:

- a full year's 100% non-domestic rates relief for retail, hospitality and tourism
- £10,000 grants for small businesses in receipt of the Small Business Bonus Scheme or Rural Relief
- £25,000 grants for hospitality, leisure and retail properties with a rateable value between £18,000 and £51,000
- 1.6% relief for all properties, effectively freezing the poundage rate next year
- First Minister to convene an emergency meeting of the Financial Services Advisory Board
- urging local authorities to relax planning rules to allow pubs and restaurants to operate temporarily as takeaways
- extending the go live date for the deposit return scheme to July 2022
- halting the introduction of the Visitor Levy Bill

Coronavirus Business Interruption Loan Scheme – temporarily replacing the enterprise finance guarantee scheme – Scheme to become available on the week commencing 23rd March 2020

A new temporary Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will launch early next week to support primarily small and medium-sized businesses to access bank lending and overdrafts.

The government will provide lenders with a guarantee of 80% on each loan (subject to a per-lender cap on claims) to give lenders further confidence in continuing to provide finance to SMEs. The government will not charge businesses or banks for this guarantee, and the scheme will support loans of up to £5 million in value.

Businesses can access the first 12 months of that finance interest free, as government will cover the first 12 months of interest payments



Support for businesses who are paying sick pay to employees – Details on how to claim not yet available

UK Government will bring forward legislation to allow small- and medium-sized businesses and employers to reclaim Statutory Sick Pay (SSP) paid for sickness absence due to COVID-19. The eligibility criteria for the scheme will be as follows:

- this refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19
- employers with fewer than 250 employees will be eligible - the size of an employer will be determined by the number of people they employed as of 28 February 2020
- employers will be able to reclaim expenditure for any employee who has claimed SSP (according to the new eligibility criteria) as a result of COVID-19
- employers should maintain records of staff absences and payments of SSP, but employees will not need to provide a GP fit note
- eligible period for the scheme will commence the day after the regulations on the extension of Statutory Sick Pay to those staying at home comes into force
- the government will work with employers over the coming months to set up the repayment mechanism for employers as soon as possible

HMRC Time to Pay arrangement – Currently available. Contact HMRC on 0800 015 9559

As part of a support package announced during the March 2020 budget, it was confirmed that the existing HMRC Time to Pay scheme will be extended to give more companies a helping hand when it comes to managing their tax affairs. The Time to Pay arrangement gives companies additional breathing space during which to settle their existing HMRC liabilities. **HMRC have confirmed that there is currently a 3-month grace period for Employer PAYE payments.**

Close/PC Update

They advise that clients who are facing financial difficulty at this time should contact them as soon as possible and their cases will be handled on a case by case basis

Help with Business Rates and Extra Rates Relief

To help owners of non-domestic properties, including businesses, deal with the impact of COVID-19, the Scottish Government has made changes to non-domestic rates (business rates) for 2020-21. The Scottish Government has introduced extra rates reliefs (discounts). It has also introduced a one-off grant for some businesses.

These reliefs will be available to non-domestic properties from 1 April 2020 to 31 March 2021. It will be possible to apply for the grants from April 2020 and they will be available to 31 March 2021.

Individual Banks

It is advised that you contact your individual banks to find out what facilities are available to support the business at this time

Further Information

Useful web site links include the following:

<https://www.gov.uk/coronavirus>

<https://www.nhs.uk/conditions/coronavirus-covid-19/>

<https://www.hse.gov.uk/news/coronavirus.htm>

<https://www.hse.gov.uk/toolbox/workers/home.htm>

<https://www.hse.gov.uk/pubns/indg226.pdf>

<https://www.gov.scot/coronavirus-covid-19/>

<https://www.hps.scot.nhs.uk/a-to-z-of-topics/wuhan-novel-coronavirus/>

<https://gov.wales/topic/980/latest>

<https://phw.nhs.wales/topics/latest-information-on-novel-coronavirus-covid-19/>

<https://www.publichealth.hscni.net/news/covid-19-coronavirus>

<https://www.gov.uk/foreign-travel-advice>

