

Hogan  
Lovells

# COVID-19 webinar series

02 April 2020

Insurance coverage considerations





## **Victor Fornasier**

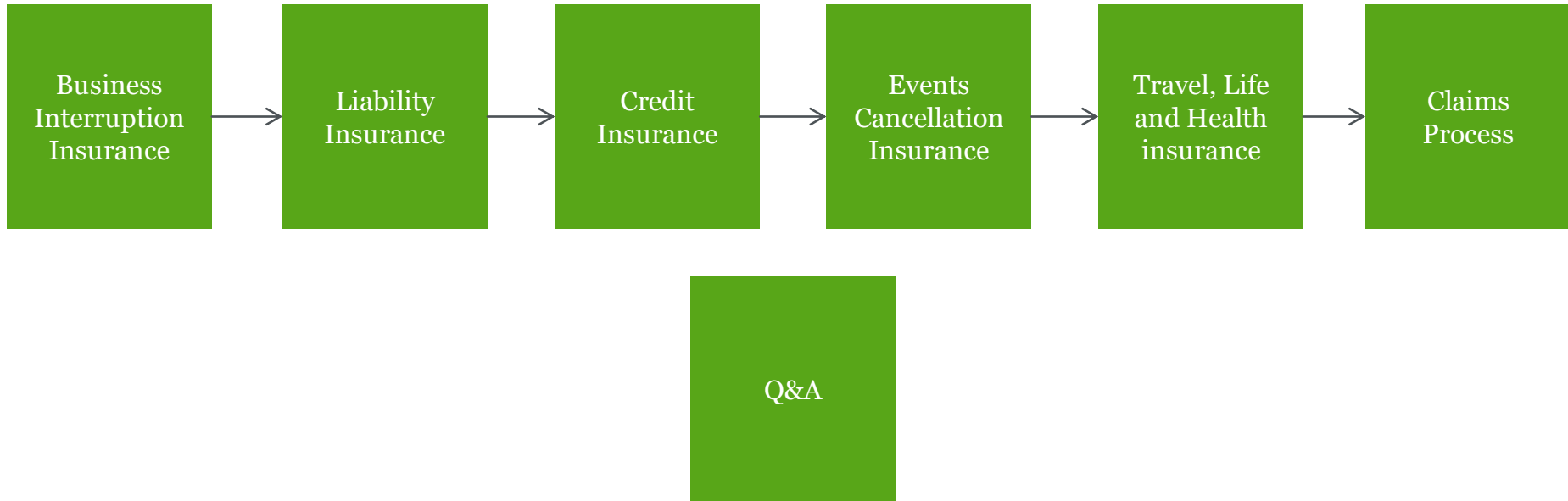
Partner, London

+44 20 7296 5423

[Victor.fornasier@hoganlovells.com](mailto:Victor.fornasier@hoganlovells.com)

# Agenda

---



# Business Interruption Insurance

---



**Jamie Rogers**

Partner, London

+44 20 7296 5795

[Jamie.rogers@hoganlovells.com](mailto:Jamie.rogers@hoganlovells.com)

# Business Interruption Insurance

---

- Immediate focus of attention, especially in sectors directly affected by lock-down (e.g. retail/leisure, travel/aviation, manufacturing and education sectors)
- Business Interruption losses typically insured on property damage policies
  - Physical damage required to access cover – considerations for infectious diseases
- Policies may contain extensions not linked to property damage which trigger cover:
  - Business Interruption loss resulting from infectious or notifiable disease
  - Denial of access to premises / loss of attraction
- Decontamination or clean-up costs
- Contingent sites – complex supply chains (but, again may require physical damage)
- Prevention and mitigation – coverage considerations

# Liability Insurance

---



**Lydia Savill**

Senior Associate, London

+44 20 7296 5931

[Lydia.savill@hoganlovells.com](mailto:Lydia.savill@hoganlovells.com)

# Liability Insurance

---

- The significant disruption caused to businesses as result of the Covid-19 restrictions means disrupted businesses are at increased risk of third party liability claims.
- Liability insurances such as the following may be relevant:
  - **Employers' Liability Insurance (EL)**
  - **Employment Practices Liability Insurance (EPL)**
  - **Directors & Officers Insurance (D&O)**
  - **Product Liability**
  - **Public Liability**

# Credit Insurance

---



**Clare Douglas**

Senior Associate, London

+44 20 7296 5954

[Clare.douglas@hoganlovells.com](mailto:Clare.douglas@hoganlovells.com)



# Credit Insurance

---

- Cover
  - Non-payment of debts from customers / suppliers / borrowers
  - Costs incurred to avoid, minimise or recover debts
- Claims Trigger
  - Simple failure to pay or specified circumstances
- Exclusions
  - Pandemic COVID-19 exclusions unlikely

# Credit Insurance

---

- Warranties
  - Legally valid and enforceable debt obligations? Effect of “force majeure” in the subject agreement?
- Notification / Reporting Requirements / Insurer consent?
  - Non-payment, adverse development, cash-flow, restructuring
  - Debt rescheduling → insurer consent? Consequences?
  - Acceleration → insurer consent?
  - Check confidentiality requirements
- The market dynamics
  - Increased claims activity and financial pressure (collapsing investments)
  - Get claims in early
  - Reduced availability going forward

# Events Cancellation & Travel, Life and Health Insurance

---



**Ellie Rees**

Associate, London

+44 20 7296 5929

[Ellie.rees@hoganlovells.com](mailto:Ellie.rees@hoganlovells.com)



**Sarah McQuillan**

Associate, London

+44 20 7296 2525

[Sarah.mcquillan@hoganlovells.com](mailto:Sarah.mcquillan@hoganlovells.com)

# Events Cancellation

---

- Cover
  - Financial loss following cancellation, disruption, postponement or relocation of a scheduled event for reasons beyond the insured's control
- Communicable diseases exclusion?
- Additional cover?
- Trigger for claims
  - Usually voluntary cancellation insufficient
  - Government or local authority restriction or curtailment?
  - Declaration of a “pandemic”?

# Travel, Life and Health

---

## Travel

- Common pandemic **exclusion**
- Coronavirus is no longer an “**unforeseen circumstance**”
- Insurers **restricting cover** in new policies

## Life

- **Protection** if policy already in place
- Potential **practical difficulties** in obtaining new cover

## Health

- **Limited** impact
- Private facilities deployed to support NHS
- **Non-urgent treatment** for private medical policyholders **delayed**

# Claims Process

---



**Charlie Shute**

Senior Associate, London

+44 20 7296 5938

[Charlie.shute@hoganlovells.com](mailto:Charlie.shute@hoganlovells.com)

# Claims Process

---

- Before a claim: Changes to Insured's circumstances
  - Mass remote working
  - Closure of premises
  - Ceasing of/changes to operations
- Notify claims promptly
  - Circumstances which may give rise to a claim
- Insurer handling of claims – compulsory?
  - Liability claims
  - Seek waivers if required
- Add-on protections
  - Crisis management
  - Site remediation
  - Helplines
  - Legal support

---

# Q&A



# COVID-19 Resources

---

1. Access all our materials on our topic center:

[COVID-19 Topic Center](#)

2. Register your interest in our other webinar topics related to coronavirus [here](#)
3. Get in touch with one of us or via [COVID19@hoganlovells.com](mailto:COVID19@hoganlovells.com)



[www.hoganlovells.com](http://www.hoganlovells.com)

"Hogan Lovells" or the "firm" is an international legal practice that includes Hogan Lovells International LLP, Hogan Lovells US LLP and their affiliated businesses.

The word "partner" is used to describe a partner or member of Hogan Lovells International LLP, Hogan Lovells US LLP or any of their affiliated entities or any employee or consultant with equivalent standing.. Certain individuals, who are designated as partners, but who are not members of Hogan Lovells International LLP, do not hold qualifications equivalent to members.

For more information about Hogan Lovells, the partners and their qualifications, see [www.hoganlovells.com](http://www.hoganlovells.com).

Where case studies are included, results achieved do not guarantee similar outcomes for other clients. Attorney advertising. Images of people may feature current or former lawyers and employees at Hogan Lovells or models not connected with the firm.