

Coronavirus (COVID-19) – Insurance Update 5

Following on from our previous Coronavirus Updates, the following information deals with premises that are still closed due to Government restrictions, as well as those businesses that have decided to remain closed as staff are still working from home, the premises cannot be adapted for social distancing or it is not presently commercially viable to reopen.

If you missed our four earlier updates, these can be accessed via this link [Coronavirus Updates](#)

Unoccupancy conditions

In normal times, policy conditions require notification when all or a significant part i.e. a floor becomes unoccupied. Some policies allow a certain period of time, typically 30 days before policy exclusions and/or risk management measures come into effect relating to security, power supplies and water systems.

When we first went into lockdown most insurers confirmed that they would extend the ‘allowable unoccupancy period’ to 60 days and subsequently to 90 days on the basis of policyholders taking ‘appropriate best endeavours’ to take reasonable precautions to keep the premise safe. These would include making the premises as secure as possible, maintaining alarm systems and keeping heating systems operational unless water systems can be drained down.

The 90-day period took us to mid-June and since then most insurers have confirmed that they will extend this period again for businesses that remain compulsorily closed because of Government restrictions. However, we no longer have a uniform approach to businesses that choose, rather than are forced to remain closed. Some insurers are now requiring notification of ongoing unoccupancy and applying their standard unoccupancy conditions, meaning covers such as water damage (storm, flood and burst pipes), malicious damage and theft may be excluded, and cover will be subject to risk management policy conditions.

Because of different approaches being taken by insurers **could you please contact us if your business premises remain closed** so that we can then notify your insurers accordingly. The exception is for those in the hospitality sector who are allowed, and plan, to reopen on 4 July.

Please note that the information in this factsheet is generic advice but if you require more information about your own policies, please speak to your usual Nsure contact.

Additionally, we have a range of factsheets on our [website](#) with useful information about various types of insurance including Business Interruption, Cyber, Directors and Officers, GAP, Intellectual Property, Professional Indemnity and Terrorism. There is also advice on underinsurance and write-offs.