



Neuadd y Sir / County Hall, Llandrindod, Powys, LD1 5LG

## **QUESTIONS AT ANY TIME TO CABINET PORTFOLIO HOLDERS**

Response by the Portfolio Holder:

Instances of insurance companies not covering the Covid-19 pandemic have been raised with the Council's Economic Development Team and Business Wales by several Powys businesses over recent weeks. Reasons quoted include the fact that this was a new pandemic and that Covid-19 was not specified and other issues have also been raised regarding the role of insurance brokers.

This is a national and industry wide issue that has received significant coverage in the press and financial services industry over recent weeks. The following are examples of guidance to businesses that have been issued:

### **i. UK Government**

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/covid-19-support-for-businesses#commercial-insurance>

The UK Government has issued the following Covid-19 advice regarding commercial insurance:

#### ***“Commercial insurance***

*Most commercial insurance policies are unlikely to cover pandemics or unspecified notifiable diseases, such as COVID-19.*

*However, those businesses which have an insurance policy that covers government ordered closure and pandemics or government ordered closure and unspecified notifiable disease should be able to make a claim (subject to the terms and conditions of their policy).*

*Insurance policies differ significantly, so businesses are encouraged to check the terms and conditions of their specific policy and contact their providers.”*

### **ii. The Association of British Insurers**

<https://www.abi.org.uk/products-and-issues/topics-and-issues/coronavirus-hub/business-insurance/>

The Association of British Insurers has advised that most standard insurance policies did not include forced closure by the government, and that the vast majority of firms won't have purchased cover that will enable them to claim on their insurance to compensate for their business being closed by the coronavirus.

### **iii. Financial Conduct Authority**

<https://www.fca.org.uk/firms/insurance-and-coronavirus-our-expectations>

The FCA has set out its expectations for general insurance firms during the coronavirus pandemic that customers should be treated flexibly and fairly.

### **Covid-19 Business Support**

The Council is working closely with Welsh Government, Business Wales and other organisations to co-ordinate advice and support for Powys businesses as part of its Covid-19 response. Further information and guidance on the support available is on the Council website: <https://en.powys.gov.uk/coronavirus/helpforbusinesses>

The issues being experienced by Powys businesses with regard to insurance cover during the Covid-19 pandemic have been formally raised with Welsh Government and the Financial Conduct Authority.