

COMPARE MY INSURANCE™

Covid-19 (Coronavirus) update

We understand the significant impact that the Covid-19 pandemic has, and continues to have, on all our customers. Since the pandemic began, we have been inundated with queries from customers asking if losses arising from Covid-19 could be claimed for. We thank you for your patience as we have continually sought clarity from the Insurers on our panel.

As a brief background to recent events, on the 1st June 2020 the Financial Conduct Authority (FCA), who regulate the insurance industry, announced its intention to seek clarity for policy holders on business interruption insurance by selecting a range of standard property non-damage business interruption policies across the UK insurance sector for Covid-19 related losses, and testing them in the High Court.

The High Court issued its judgment on 15th September 2020, and a number of defendants appealed parts of the judgment to the Supreme Court. The FCA also appealed aspects of the judgment to the Supreme Court.

The Supreme Court appeal hearing took place on 16th November 2020 and the judgment was handed down on 15th January 2021. Information about the Supreme Court decision and the judgment itself are available here:

<https://www.fca.org.uk/firms/business-interruption-insurance>

This judgment on the Financial Conduct Authority's business interruption test case substantially allowed the FCA's appeals and dismissed the insurers appeals.

Since the judgment was announced, the team at Compare Insurance have sought clarity from Nationwide Broker Services as to how the judgment would affect our customers being able to claim for their losses due to Covid-19.

Your Policy and Coverage (SME Package and Sport & Social Club policies underwritten by HDI Global SE)

Nationwide Broker Services have unfortunately confirmed that the policies described above, and consequently any claim arising from covid-19, are outside the scope of the Test Case for the following reasons:

- a) The denial of access wording in the Policy provides cover in circumstances where access to the Premises was prevented or hindered. However, this wording requires "Damage" to property, whereas the Test Case is concerned with non-damage business interruption wording; and
- b) The notifiable disease wording in the Policy requires an occurrence of a notifiable disease solely "at the Premises", which places it outside the scope of the Test Case. The Test Case applies only to those policies which provide cover for an occurrence of a notifiable disease within a certain radius or the vicinity of an insured premises.

For these reasons, Nationwide Broker Services have confirmed that the recent Supreme Court judgment cannot be applied to a claim arising from losses due to Covid-19. This is primarily because the Notifiable Disease clause in your Policy has a strict requirement that there is COVID-19 "occurring at the Premises". Please note that the FCA did not include policies that require disease at the premises for consideration by the Court in the Test Case. These clauses respond to measures directed specifically at the premises rather measures taken on a national basis. As a result, the Supreme Court's Test Case decision does not change the way that your policy operates.

Under your policy provided by HDI Global SE (please see your policy documentation), there is potential cover if restrictions have been placed on your business specifically a result of proven occurrence of COVID-19 the premises (as opposed to nationwide restrictions placed on different broad categories of business to prevent the spread of the wider disease outbreak, which will not trigger cover under the policy).

To be clear - there is potential cover only if your business had specific restrictions placed on it as a result of proven occurrence of Covid-19 **at the premises** (as opposed to the wider nationwide restrictions). If you believe this is the case and you wish to register a claim, please contact Nationwide Broker Services providing full details of your policy, and including the evidence that you are relying on to support your claim.

Email: info@nationwidebroker.co.uk

Phone: 01274 518383

In writing: 2 Aire Valley Business Park, Wagon Lane, Bingley, BD16 1WA

Please also notify our claims team should you submit a claim directly to Nationwide Broker Services. Due to the high number of calls we are receiving at the moment we ask that an email be sent to debra.lewis@comparemyinsurances.com. You will receive acknowledgment that we are aware of your claim and will assist where we are able.

Next Steps if you are not happy

If you believe that this coverage position is incorrect, and wish to complain about the decision, we urge you to make contact with Nationwide Broker Services directly at the contact details provided above.

If you are not happy with the outcome of your complaint, you may be eligible to have your complaint reviewed by the Financial Ombudsman Service. Nationwide Broker Services will let you know if they believe the ombudsman service can consider your complaint when they provide you with their decision.

Please be assured that the team at Compare Insurance are always at hand to help our customers, particularly in these difficult and uncertain times.

If there is anything more we can do to assist you, please do not hesitate to contact us.