

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.

Zurich, along with a number of other insurers, agreed to help the FCA by participating in the test case.

The High Court issued its judgment on 15th September 2020 and agreed with Zurich's interpretation of their standard policy wording, specifically the Action of Competent Authority (AOCA) clause, which was tested. The judgment stated that it was "highly unlikely" that there was cover in most circumstances.

A number of other defendants appealed parts of the judgment to the Supreme Court. The FCA also appealed aspects of the judgment to the Supreme Court. While the FCA appealed the High Court's decision on some aspects of Zurich's standard policy wording for the AOCA cover, they did not appeal the outcome that there is no cover for Covid-19 related business interruption losses.

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.

Your Policy and Coverage

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

Regrettably, Zurich have confirmed that there is no Covid-19 business interruption cover under your policy. The recent appeal judgment handed down by the Supreme Court has not changed the outcome for your policy. Zurich reviewed your policy wording to determine whether any aspects were being tested as part of the appeal process and have concluded that this is not the case.

More information from Zurich can be found on their website at:

<https://www.zurich.co.uk/business/coronavirus/business-interruption-fca-test-case>

Next Steps if you are not happy

We understand that this will be disappointing, particularly considering the exceptional challenges your business must be facing at this time.

If you believe that this coverage position is incorrect, and wish to complain about the decision, we urge you to make contact with Zurich directly as follows:

Email: coronavirusclaims@uk.zurich.com

Complaints form: www.zurich.co.uk/en/about-us/contact-us/general-insurance-complaints/gi-complaints-form

By phone: 0800 096 6233 between 8.30am and 5.30pm Monday to Friday.

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. Zurich 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.