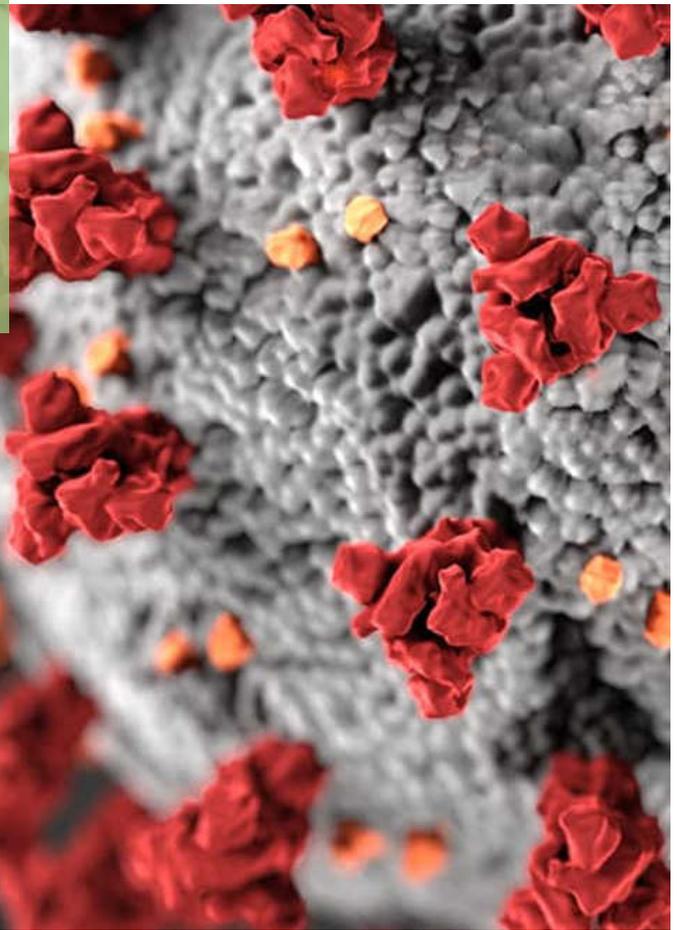


Insurance Risks and impact of Covid-19

Insurance for your reputation





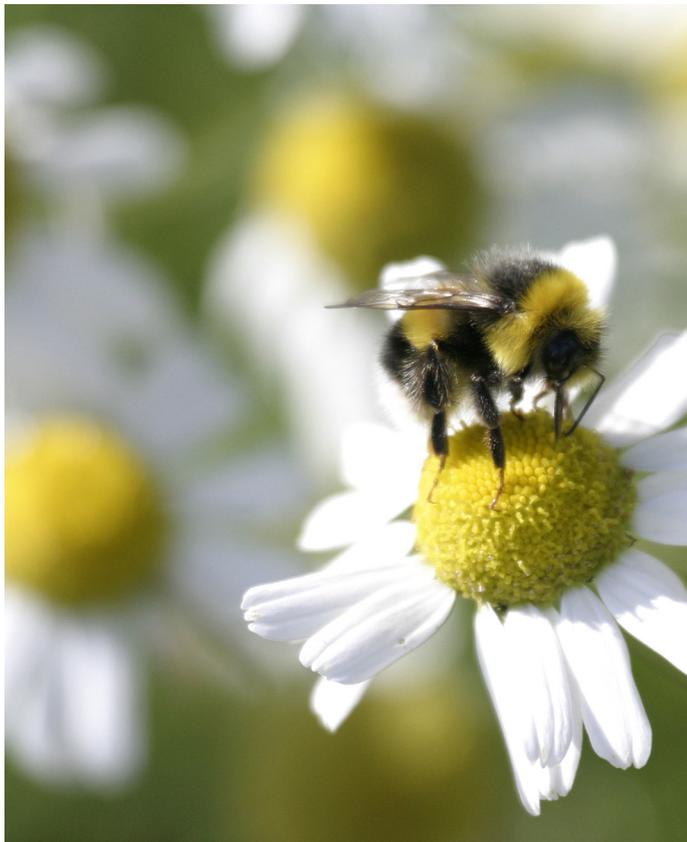
Chartered
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Management

CIEEM
Insurance Services
Administered by the MFL Affinity division of McParland Finn Ltd

Insurance Risks and impact of Covid-19

The Covid-19 pandemic is an unprecedented global event, the ramifications of which are likely to have a lasting impact on both businesses and individuals for some time to come. But, with no end currently in sight, what are the implications for your business?

As the current crisis is an ongoing and ever changing position, it is almost impossible to provide a clear and definite picture on the impact on your company from an insurance perspective. But, in terms of the general insurance that most are likely to maintain, we would suggest that you keep the following issues in mind:



Professional Indemnity Insurance

The purpose of professional indemnity insurance is to provide cover for any claims made against you in relation to the performance of your professional services and, as such, may not be strictly relevant to the current crisis. That being said, issues may arise in the aftermath of the pandemic that may give rise to claims in the future.

While we are reaching the time of year when there is an increased call on your services, it is possible that a number of projects are on hold. In those cases, we would suggest that care is taken to ensure that your work is drawn to a suitable conclusion, if possible, and the Clients are advised about what work has been undertaken to date and what remains outstanding as well as highlighting any issues that may arise as a result of the suspension (i.e. missed survey periods). This helps both you and the Client manage the impact of the decision to halt the project, while ensuring that there is a clear starting point when the project resumes.

However, what if the Client maintains that the project should continue? At this stage, the Government has not ordered that all businesses cease operating and, as such, you are likely to still be obligated to provide the services under the appointment.

If you believe that the work cannot be undertaken safely in the current circumstances, you should advise the Client setting out reasoning and awaiting their instructions. However, if the work can be carried out safely, then there are no issues under the terms of your professional indemnity insurance in the work continuing, although this could give rise to other issues.

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Registered in England No. 2817700.
Registered Office: Barlow House, Minshull Street, Manchester, M1 3DZ
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Public Liability Insurance

Under the terms of a Public Liability Insurance policy, your company is insured for any claims arising out of property damage or bodily injury suffered by a third party. While the definition of 'bodily injury' can vary between policies, they will usually be along the lines of "... death or any bodily or mental injury or disease of any person ..." which now takes on a new aspect in the current crisis.

In reality, should a Claimant attempt to argue that they have contracted the coronavirus as a result of any action on the part of your company it may be difficult for them to establish a causal link to support the claim. However, in the event that you continue to provide services, we would recommend that care is taken to ensure that all reasonable steps are taken to comply with the social distancing guidelines issues by the Government.

However, while Public Liability Insurance covers the duty of care owed by the company to the public, the company also a duty to its employees.

Employer's Liability Insurance

The cover under this type of insurance is broadly the same as with Public Liability Insurance but, rather than the general public, it relates to the duty of care owed to your employees.

This means that there is an expectation that you will use reasonable skill and care to ensure their health and safety and, in current circumstances, this is likely to include what reasonable steps you take to manage the risks associated with COVID-19.

The test of whether you have exercised the required standard of care or not will always be applied retrospectively and based on the facts of each particular case. However, it is worth noting that the required duty of care may be increased if you are aware a member of staff with an underlying health condition which may put them at greater risk.

If a legal liability can be established between your conduct and the injury (in this case the illness) suffered by or the death of an employee, Employer's Liability Insurance should provide cover to deal with the claim.

If you would like to discuss any of the issues raised in this publication, please do not hesitate to contact us.

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