

## **Coronavirus – Business Continuity - Where to start?**

There are no words to express adequately where we find ourselves today; the best we can do is respond collectively to the many requests for information that we have received over the last 24 hours in the hope that it assists.

A robust Business Continuity Plan is the starting point to minimise the long term effects of unexpected and emergency circumstances. If you have a plan in place already, update it and test it. When testing it, assume that the worst has happened and stress test every aspect of it, to see whether the measures you have put in place actually work.

If you don't already have a Business Continuity Plan now is the time to be writing one. It needs to consider (in the context of your business and services/products) at least the following:

- People
- Clients
- Premises
- Services/products and their delivery
- Finances
- Insurance arrangements
- IT
- GDPR – information security
- Communication – internal and external
- Who will help you with what?
- Contact information for key people.

You know your business, its strengths, weaknesses and challenges best. Your Business Continuity Plan should be practical; have direct input from Management; be communicated and available at all times to key individuals identified in the Plan.

### **Where might I get help?**

#### Financial

Read your policies carefully. Have you got insurance cover for economic loss? You may have Business Interruption (BI) cover as an add-on to property insurance or as part of a commercial package.

Routinely BI cover linked to a property policy only responds if your business has to vacate the insured premises due to disaster-related damage or forced closure; not helpful in this instance.

Check for any additional BI cover which might be stand alone or an add-in. You need to read the wording carefully to see whether the policy will respond. Help on interpretation will be available from your broker or insurer. As a starting point, check their websites and social media platforms for information; we are aware that many insurers and brokers are experiencing overwhelming numbers of urgent enquiries and are pushing information out in this way.

If cover is in place, any valid insurance claim will be paid from the point the policy responds and based on the revenue your business would have generated absent the emergency using past financial records. However, bear in mind that your policy may not respond until a specific

trigger; for example a policy covering losses arising from an outbreak of infectious disease may not respond until the disease is designated “notifiable”. There is usually a delay between outbreak of the disease and it being designated “notifiable”. If your profits have dropped in this period, this may still be the benchmark applied to your losses depending upon policy wording.

You will also need to check how any infectious disease cover is defined bearing in mind that Coronavirus is acknowledged globally as something completely new. If your policy responds only to defined diseases, this is very unlikely to include a disease that did not exist at the point the policy was entered into.

Our impression from speaking to a number of people in the insurance industry is that exposure to financial loss claims as a result of Coronavirus is felt to be low; the recommendation made to us was that businesses should plan and act as though they are uninsured.

Keep abreast of all government announcements on financial help; any trade association relevant to your sector should be able to assist with this as they will, no doubt, be lobbying on behalf of their sector.

### Practical

Your broker or insurer will almost certainly have a helpline and should be your first port of call on interpretation or cover, assuming web-based information doesn’t answer your question.

Depending upon the sector you are working in, you may get help from any trade association or organisation of which you are a member. Some organisations have a helpline and may also be able to lobby on behalf of members where the problem is industry-wide like Coronavirus.

On-line Industry Forums are sources of practical information including disaster responses.

### **What if your broker isn’t responding to you?**

Normal response times by brokers and insurers at this point are unlikely to be practicable but, if you cannot get a response within a reasonable time frame:

- Obtain a copy of the brokers/insurers complaints policy and follow the procedure;
- Read the information on the Financial Ombudsman’s website so that you are ready to go with next steps: <https://www.financial-ombudsman.org.uk/businesses>

It is also worth keeping an eye on the Financial Conduct Authority’s Website (the FCA regulates financial services firms and financial markets in the UK):

<https://www.fca.org.uk/about>

We spoke with a representative from the Financial Ombudsman this morning. We understand, at that point, they are awaiting authorisation/direction from the FCA before uploading advice on customer/broker communication on the Financial Ombudsman’s website.

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