



ISSUE 5

## BUSINESS INTERRUPTION IN THE PANDEMIC AND LOCKDOWN



Our brokers and insured clients are, quite rightly, particularly concerned about business interruption. The purpose of this edition of our Fresh Air newsletter is to clearly spell out what is covered by the Renasa Commercial Policy, and how Renasa will help you deal with claims related to the lockdown period.

### **The Renasa Commercial Policy: what is covered and what is not**

In short, loss caused by or flowing from the Covid-19 virus pandemic and its consequences are not covered by Renasa's Commercial Policy. The policy does not cover for loss of income or reduction in Gross Profits or other economic loss incurred and/or liability for which the Insured may become legally liable to pay following on or arising from infectious disease and pandemic.

- The official declaration by the World Health Organization (WHO) that the Covid-19 virus outbreak is a Public Health Emergency of International Concern, and thereafter to be considered an international pandemic that affects most of the countries worldwide, took place at the end of January 2020.



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Consequently, the interruption to business and the subsequent loss of income or reduction in profits arising from measures to curtail the spread of the Covid-19 virus can no longer be seen as a fortuitous event for which cover is available or can be obtained at this stage.

- The Renasa Commercial Policy offers cover for material damage to property following defined perils set out in the policy wording.
- Infectious disease is not considered to be “material damage” to property, but rather as a matter pertaining to general health.
- Infectious disease is not an insured peril in terms of the Fire, Buildings Combined, Office Contents or Accounts Receivable Sections of the Renasa policy wording.
- The Renasa Commercial Policy does not offer cover for perils such as murder, suicide, violent crime, illness, disease, pollution or animal attack (which may also include shark attack) – generally referred to as “Contingency Business Interruption” by insurers who do offer the cover. Such risks in fact fall within specific exclusions to cover.
- Consequently, the financial losses that may follow from the risks and perils discussed in the two bullet points immediately above will not be covered in terms of the Business Interruption section.
- Clause 6 of the General Terms and Conditions specifically excludes loss or damage following on pollution, contamination or epidemic and disease.
- Clauses 8 and 9 of the General Terms and Conditions furthermore specifically exclude losses or damage following Infectious



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Epidemics/Pandemics in respect of all Fire and Accident Classes whether so declared by the national or international body/ agency and which may lead to imposition of quarantine or restriction of movement of people and travel advisories.

- The General Public Liability section offers cover for damages which the insured shall become legally liable to pay upon injury or damages and does not make provision for illness or disease.

Renasa fully appreciates that these are extraordinary times and, in all instances, Renasa will evaluate each case on its own merits with reference to the above.

Even working remotely, our normal claims process is prepared for and capable of dealing with any claims related to the lockdown period.

**Stay safe!**



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