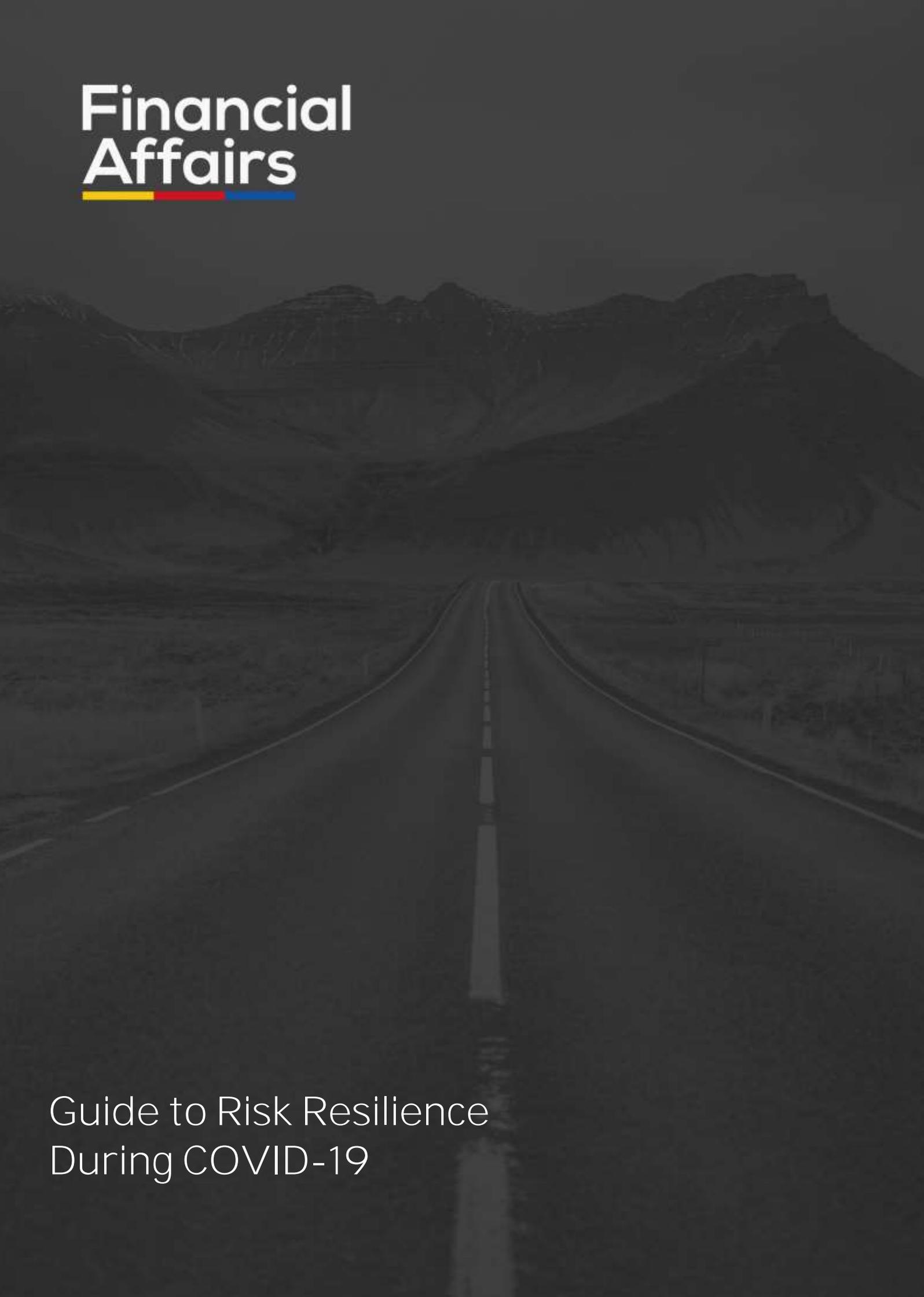


# Financial Affairs



Guide to Risk Resilience  
During COVID-19

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## Introduction

The spread of Coronavirus is an unprecedented global crisis and we understand that this is an incredibly difficult time for families and businesses as people seek to make the right decisions for their own health and that of their family.

It is also a time when people are trying to understand what their insurance covers them for. We are supporting our customers as much as we can and are in constant dialogue with insurers to support you and your business.

The situation has rapidly changed over the last few days alone and we know that you have lots of questions that need answering as you plan for the coming weeks and beyond; not only from a business continuity perspective but also to support your staff. Rest assured we are invested in ensuring that we can keep you as up to date as possible and hope that this document provides some of the clarity you are seeking.

## Chancellor's Announcement

As of 17th March, the Government pledged to stand by businesses large and small by introducing an unprecedented package of government-backed and guaranteed loans to support businesses in getting through this unprecedented situation.

The Chancellor, Rishi Sunak announced he would make available £330 billion of guarantees – equivalent to 15% of the UK's GDP.

Any business who needs access to cash to pay their rent, salaries, suppliers, or purchase stock, will be able to access a government-backed loan, on attractive terms.

The support will be delivered through a variety of schemes:

A new Coronavirus Business Interruption Loan Scheme, delivered by the British Business Bank, will enable businesses to apply for a loan of up to £5 million, with the government covering up to 80% of any losses with no fees. Businesses can access the first 6 months of that finance interest free, as government will cover the first 6 months of interest payments

For businesses with fewer than 250 employees, the cost of providing 14 days of Statutory Sick Pay per employee will be refunded by the government in full.

There will be a £10,000 cash grant to our smallest businesses, delivered by local authorities. Small businesses that pay little or no business rates and are eligible for small business rate relief (SBBR) or rural rate relief will be contacted by their local authority - they do not need to apply. The funding will be provided to local authorities in early April. Guidance for local authorities on the scheme will be provided shortly.

For businesses in the retail, hospitality and leisure sectors, with a rateable value of less than £51,000, they will pay no business rates this year. Those businesses will also receive an additional cash grant of up to £25,000 to bridge this period if needed

All businesses within the retail, hospitality and leisure sectors will not pay business rates for 12 months.

700,000 of the UK's smallest businesses will receive cash grants of up to £10,000 to support cash flow.

A number of private lenders are also making funds available to small businesses impacted by COVID-19, including £2 billion from Lloyds Banking Group and £5 billion from NatWest.

A dedicated helpline has been set up to help businesses and self-employed individuals in financial distress and with outstanding tax liabilities receive support with their tax affairs. Through this, businesses may be able to agree a bespoke Time to Pay arrangement. If you are concerned about being able to pay your tax due to COVID-19, call HMRC's dedicated helpline on 0800 0159 559.

# Insurance Updates

## Business Interruption Insurance

Businesses often insure against the risk of material damage to property, including risk of business interruptions arising from such property damage resulting in partial or total closure of the business, which in turn leads to loss of profits. Insurance against such losses is often called “business interruption” insurance (BI).

Traditional BI coverage is limited to where the commercial property suffers typical exposures, such as a fire, a flood, or other natural disasters. Where a business suffers interruption due to a pandemic, and has to suspend operations, “physical damage” does not fall within the definition in the property policy. Business interruption policies may however extend cover to business interruption even when there is no physical damage, for example, denial of access or more specifically in this situation, infectious diseases extension.

Pandemic cover is excluded from all standard policies with mainstream insurers and may only be available in very limited situations on some very specialist covers.

## Business Insurance – Guidance From The Association Of British Insurers

“The spread of Coronavirus is unprecedented in modern times and we understand this is an incredibly difficult time for families and businesses.

“Standard commercial insurance policies – the type the vast majority of businesses purchase – provide cover against a wide range of day to day risks including damage caused by fire, flood, theft and accidents involving employees.

“Insurers pay out £22m each day to firms through these policies, supporting millions of businesses across the UK each year.

“Only a very small minority of businesses choose to buy any form of cover that includes local closure due to an infectious disease.

“An even smaller number will have cover enabling them to potentially claim on their insurance for the presence or impact of the Coronavirus pandemic. The Government’s clarification yesterday will help some of these policyholders claim if the other terms and conditions of the policy are met.

“We strongly recommend that every business should check with their insurer or broker if they wish to confirm the type of cover that they have purchased.”

# Insurance Updates

## How Covid-19 Can Impact Certain Insurance Policies

Inevitably, COVID-19 will have an effect on elements of your personal insurance cover. We answer some of the questions you may have with regards to working from home and travel.

### Home Insurance

Will my home insurance policy be affected if I have not told my insurer that I'm working from home?

- Working from home, due to the need to self-isolate should be covered by standard home insurance policies, assuming that the work is clerical in nature.
- If individuals are working from home and receiving visitors to their home on business matters, they should check with their insurer. In some cases, there may be some restrictions in cover, such as loss of money and theft being excluded unless there is evidence of forcible and violent entry to the property.
- The business equipment used (e.g. Laptop) is likely not to be covered, however in most cases the employer would be liable for ensuring their equipment is insured away from the office.

Will home insurance cover the cost of a deep clean to my property should it become contaminated by COVID-19?

- Most standard home insurance policies do not provide cover for the costs of cleaning a property.

My property has suffered damage (from a fire, flood or other named peril) and it's uninhabitable. I am self-isolating, so will my broker help me find alternative accommodation?

- Insurers' priority is the safety of their customers and the wider community.
- Insurers will continue to provide cover for customers as promised in the policy - including funding the cost of alternative accommodation - whilst acting in accordance with the UK Government's advice at that time.
- It is vitally important that you contact your insurer to discuss your claim further, as each one will be managed on a case-by-case basis to ensure that customer interests are best protected.

I have been quarantined or am unable to travel from abroad and therefore my home may be left unoccupied for over the 30 or 60 day limit on my policy. Will I be covered?

- Insurers will be taking a pragmatic approach to individuals who are quarantined or stuck abroad and are unable to return to their property within the timescales set out in their policy. However, individuals should contact their broker to obtain advice on this issue.

## Travel Insurance

Travel insurers are committed to supporting their customers through this unprecedented global event and have made six pledges to customers. These are outlined by the Association of British Insurers below, but here are answers to common questions travel policy holders may have.

Why are insurers stopping selling some policies?

- Insurers are carefully monitoring the fast-moving developments in the coronavirus outbreak, and some have stopped selling travel insurance to new customers while others have stopped covering cancellations or disruption related to the Coronavirus. Insurance is based on assessing the possibility of an event occurring.

## Insurance Updates

Insurers take account of when any risk becomes more of a probability than a possibility and then make commercial decisions. It should be noted that the World Health Organisation has declared Coronavirus a global pandemic.

- But be reassured, trips already booked abroad under existing policies remain unaffected. Travel insurance for non-Covid19 related risks also remains available.

What should I do about travelling?

- The Foreign and Commonwealth Office has advised against all but essential travel for 30 days from 17 March 2020. This unprecedented step actually provides welcome clarity for customers and the industry. Generally, insurance cancellation or travel disruption will relate to FCO advice. This decision will therefore allow policyholders with cancellation or travel disruption cover in place to claim for cancelled trips that were already booked and cannot now go ahead.
- Looking ahead, if this advice is lifted after 30 days but still applies to the destination you were planning to visit, then you can claim under your travel insurance policy (again, provided you have cancellation or travel disruption cover in place).
- If you make alternative travel plans, then you may be able to transfer your travel insurance to cover your new destination.
- Travel insurance policies may cover some out-of-pocket losses, and also help you to leave the area and return back to the UK if you are advised to do so, and if you are unable to get assistance from any other source.

If I ignore any government advice against all but essential travel, will my travel insurance still cover me?

- If you travel against government advice then you are likely to invalidate your travel insurance. If you are unsure check with your travel insurer.

## Business Continuity Plan – Stages and Checklist

A Business Continuity Plan (BCP) plays a critical role in how you manage your business operations, staff, premises and finances in unprecedented situations.

The stages of a BCP will typically involve:

PRE-PLANNING – to help avoid an incident occurring in the first instance

EMERGENCY RESPONSE – how you address an incident once it has occurred

CRISIS MANAGEMENT – reinstating assets within a sufficient time frame

BUSINESS RECOVERY – whereby you plan to resume an acceptable level of service to customers until normal business can resume.

While you may not have had such a plan in place prior to the COVID-19, you can still use the above stages as a marker to help clarify where you see your business currently.

In addition to this, the below checklist offers a comprehensive view of all areas of your business you need to consider in order to progress your business from one stage to the next of your BCP, whether concrete or recently pulled together.

<input type="checkbox"/>	Employee and customer	<input type="checkbox"/>	Loss recovery procedures
<input type="checkbox"/>	Safety data/ systems recovery	<input type="checkbox"/>	Cash flow
<input type="checkbox"/>	Communications and PR	<input type="checkbox"/>	Supply chain resilience
<input type="checkbox"/>	Asset management	<input type="checkbox"/>	Customer and supplier loyalty
<input type="checkbox"/>	Leadership response	<input type="checkbox"/>	Critical reliance on any single person or asset
<input type="checkbox"/>	Working from home protocols		

Read on for up-to-date guidance from ACAS and tools you can use to maximise the efficiency of your remote operations – helping you to address some of the above checklist points.

## Free Tools to Support Homeworking

A change from operational premises to home-working will look very different for each business.

As a business owner, you may already be working remotely or from home and will experience little changes in the way you operate. For many, Government advice will have encouraged business leaders to take the decision to close offices and have some or all of their employees working from home.

If this is the case for your business, here are some tools which could help make working from home, work for you. If you're able to get up to speed with these collaboration tools as a business, it could save time overall by creating more efficiencies in your operation.

### For Files Storage and Sharing

Google Drive, Dropbox Basic and Microsoft OneDrive all provide generous amounts of space on their servers for free, with Google offering up to 15GB.

These tools are especially useful if team members are unable to access a central drive while working remotely, and can help avoid duplication and confusion around version control by ensuring everyone's working from or on the same information.

### For Collaboration

Any software or channel that allows you to create and organise different conversations will help prevent important messages from getting lost in a stream of emails.

The collaboration tool Slack allows you to do just this, with 5GB of free storage, and integrates with file-sharing tools including Google Drive, Microsoft OneDrive and Dropbox.

WhatsApp could be a useful "quick fix" to keep all team members in the loop, and depending on the size and operation of your business, may be enough without having to explore other software with which your team may not be familiar. It even has a desktop version which can sync with mobile devices.

You can also use WhatsApp to send encrypted texts to up to 250 people, which is a quick way to send important updates to staff if you're concerned they may not be picking up texts or email.

## For Conference Calls

Google is currently offering free access to advanced features of Hangouts Meet until 1st July in response to COVID-19. With video meetings for up to 250 participants and live streaming for up to 100,000 viewers, these enhanced features could serve both your internal and external communication strategies in newly altered circumstances. These can then be recorded and saved to Google Drive.

Microsoft Teams' free plan also allows for video conferencing with your team, while Zoom's easy to use conferencing tool is so popular that it can sometimes put strain on the software provider's server. Zoom's free tier allows meetings for 100 participants for up to 40 minutes.

## FAQs For Employers – HR Guidance

Businesses across the UK are at varying stages of their business continuity plan right now, and this process inevitably raises questions around responsibility to employees. Below we have collated some FAQs from ACAS.

Please note that this webpage is updated daily. For a more comprehensive overview, please visit: [www.acas.org.uk/coronavirus](http://www.acas.org.uk/coronavirus)

It's good practice for employers to:

- Keep everyone updated on actions being taken to reduce risks of exposure in the workplace
- Make sure everyone's contact numbers and emergency contact details are up to date
- Consider extra precautions for staff who might be more vulnerable, for example if someone is pregnant, aged 70 or over, or has a long-term health condition
- Make sure managers know how to spot symptoms of coronavirus and are clear on any relevant processes, for example sickness reporting and sick pay, and procedures in case someone in the workplace shows symptoms of the virus
- Make sure there are clean places to wash hands with hot water and soap, and encourage everyone to wash their hands regularly
- Provide hand sanitiser and tissues for staff, and encourage them to use them
- Consider if any travel or meetings are necessary and if meetings can be held remotely instead
- Keep up to date with the latest government coronavirus advice on GOV.UK: <https://www.gov.uk/government/topical-events/coronavirus-covid-19-uk-government-response>

Employers must not single anyone out unfairly. For example, they must not treat an employee differently because of their race or ethnicity.

## Self-Isolation and Sick Pay

Employees and workers must receive any Statutory Sick Pay (SSP) due to them if they need to self-isolate because:

- They have coronavirus
- They have coronavirus symptoms, for example a high temperature or new continuous cough
- Someone in their household has coronavirus symptoms
- They've been told to self-isolate by a doctor or NHS 111

If someone has symptoms, everyone in their household must self-isolate for 14 days. Those who live alone must self-isolate for 7 days. Find advice about self-isolating on NHS.UK.

## Social Distancing, Flexible Working and Working From Home

Current government advice is for everyone to try and stop unnecessary contact with other people – 'social distancing'. This includes working from home where possible; avoiding busy commuting times on public transport; and avoiding gatherings of people, whether in public, at work or at home.

Employers should support their workforce to take these steps. This might include:

- Agreeing to more flexible ways of working, for example changing start and finish times to avoid busier commuting times
- Allowing staff to work from home wherever possible
- Cancelling face-to-face events and meetings and rearranging to remote calling where possible, or example using video or conference calling technology

## Vulnerable People

Current government advice is for everyone to try and stop unnecessary contact with other people – 'social distancing'. This includes working from home where possible; avoiding busy commuting times on public transport; and avoiding gatherings of people, whether in public, at work or at home.

Employers need to be especially careful and take extra steps for anyone in their workforce who is at increased risk from coronavirus. They include, but are not limited to, those who:

- Have a long-term health condition, for example asthma, diabetes or heart disease, or a weakened immune system as the result of medicines such as steroid tablets or chemotherapy
- Are pregnant
- Are aged 70 or over
- Care for someone with a health condition that might put them at a greater risk

## If an Employee Does Not Want to Go to Work

Some people might feel they do not want to go to work if they're afraid of catching coronavirus. This could particularly be the case for those who are at higher risk. An employer should listen to any concerns staff may have and should take steps to protect everyone.

## Lay-Offs and Short-Time Working

In some situations, an employer might need to close down their business for a short time, or ask staff to reduce their contracted hours. If the employer thinks they'll need to do this, it's important to talk with staff as early as possible and throughout the closure.

Unless it says in the contract or is agreed otherwise, they still need to pay their employees for this time. Employees who are laid off and are not entitled to their usual pay might be entitled to a 'statutory guarantee payment' of up to £29 a day from their employer. This is limited to a maximum of 5 days in any period of 3 months. On days when a guarantee payment is not payable, employees might be able to claim Jobseekers Allowance from Jobcentre Plus.

## Using Holiday

Employers have the right to tell employees and workers when to take holiday if they need to. For example, they can decide to shut for a week and everyone has to use their holiday entitlement. If the employer does decide to do this, they must tell staff at least twice as many days before as the amount of days they need people to take. For example, if they want to close for 5 days, they should tell everyone at least 10 days before.

This could affect holiday staff have already booked or planned. So employers should:

- Explain clearly why they need to close
- Try and resolve anyone's worries about how it will affect their holiday entitlement or plans

The situation is constantly evolving, and the UK government is publishing updates at 2pm each day on its website. It is recommended that you keep up to date with the latest advice in case the advice changes. [Click here for the latest updates.](#)

## FAQs For Employers: Taking Care of Your **Employees' Mental Wellbeing**

Making healthy mental wellbeing a priority will be important for many businesses across the UK. Below, we have collated some guidance on supporting your people:

- Have a long-term health condition, for example asthma, diabetes or heart disease, or a weakened immune system as the result of medicines such as steroid tablets or chemotherapy
- It can be easy to forget to take a break without the usual office distractions. The Pomodoro Technique is a great way to start building breaks into your day to help employees to keep productive and focused.
- Get active: For some simple stretches you can do at home [click here.](#)
- Set up regular recurring calls with your team to maintain motivation
- Encourage everyone to set out a structure for their day. This can be done via effective use of your Outlook calendar to separate your daily tasks and also using the 'To-Do Bar' in Outlook to set up specific tasks and track their progress.

### Useful Resources

1. Coronavirus and your wellbeing – [mind.org.uk](https://www.mind.org.uk)
2. [NHS guide for Mental Health and Wellbeing](#)
3. [NHS guide to Mindfulness](#)

#### Further Information

If you want further information, have queries or want to obtain quotations for your clients please contact: -

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