

INSIGHTS

May 2020

# Business survival during Covid-19

Answering your questions on funding, people, contracts and insurance during Covid-19



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## Business survival during Covid-19

Answering your questions on funding, people, contracts and insurance during Covid-19

During May we hosted a webinar for business owners and managers providing advice to help their business survive during Covid-19. Our lawyers answered questions on funding and cash preservation; staffing issues, including furlough; commercial contracts; and how to navigate business interruption loss insurance claims.

You can view the webinar [here](#).

This INSIGHTS guide contains answers to the questions we were asked before and during the webinar. Below is a summary of the questions asked – the wording is included in full with the answers:

### Funding and finance

What if the bank turns down my CBILS application?

Can my bank force me to use my overdraft instead of approving my CBIL?

What can I do to get the bank to increase the amount it has offered?

What funding is available for my business?

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## Business interruption losses

What legal powers does the government currently have to actually prevent a perfectly well-run business from operating as fully as possible?

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Who can I ask if I have questions about cash management, CBILS and other funding options?

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## FUNDING AND FINANCE



**I would like to know what recourse I have if the bank turns down my CBILS application without a good reason. It seems we are at the mercy of banks to access government funds, and surely it is not just up to them to decide how to spend public money?**



There is no prescribed recourse to the bank for turning down your loan application. You could perhaps appeal their decision through their internal processes. However, given the likely timescales for this process and the immediacy of any cash requirements, this may not be your best course of action.

We would advise asking for as much feedback as possible on why the application was refused, which may prompt some adjustments to your business or your modelling/forecasting. You could then look at approaching other CBILS/CLBILS providers for funding (there are over 50 accredited lenders). Note that most of these lenders are focussed on looking after their existing customers so have limited bandwidth to on-board new customers, but they will for the right ones (i.e. the ones that fit their lending criteria).

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## FUNDING AND FINANCE

**Can my bank force me to use my overdraft instead of approving my CBIL? I prefer not to use my overdraft, as that may be used once we can open up again, for uncertain times.**



**If my bank thinks that I need a smaller CBIL than I have applied for, assuming my case makes sense, what can I do to get the bank to increase the amount it has offered?**



There is no prescribed recourse if a bank turns you down for a CBILS loan. I would question whether you need to go through that whole process when you have an overdraft available, but get as much feedback from the bank as to why they have turned down your application. Bear in mind that there are a number of other lenders you can approach, going through another provider than your existing one. They might have better credit parameters for what you need.

The amount of the CBIL will be determined by the strength of your underlying business (pre-Covid-19), your forecasting, assumptions and ability to service the additional debt. If you can demonstrate the need for a larger facility and the clear rationale for requiring it (as well as your ability to service the debt and a clear plan to trade out of the Covid-19 issues), then it is more likely that the bank will be supportive



**What funding is available for my business?**



There are a number of funding schemes available.

We have summarised them [here](#)

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Who can I ask if I have questions about employment matters including furlough and the Coronavirus Job Retention Scheme?

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**Many of our services are funded by local authorities or the NHS. Can we still use the Coronavirus Job Retention Scheme (furlough)?**



**The government guidance currently states that “where employers receive public funding for staff costs, and that funding is continuing, we expect employers to use that money to continue to pay staff in the usual fashion – and correspondingly not furlough them.” We have some work that is local authority funded. What do we do?**

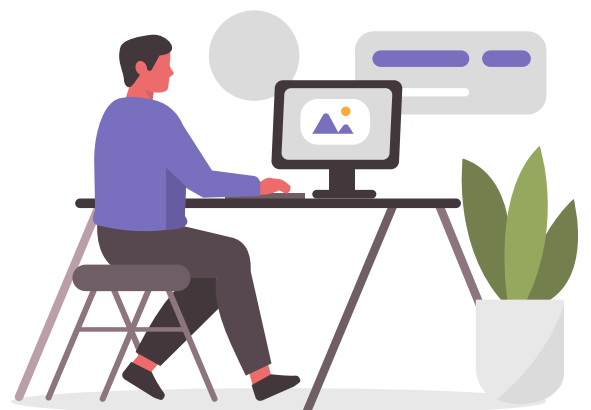


You are quite right; the Coronavirus Job Retention Scheme isn't designed for use by employers who have public funding that covers staff costs, such as wages. The rationale behind this, of course, is that employers should not receive wage funding through the public purse and then also seek to claim via the scheme. This is, arguably, double recovery. However, we have had this circumstance with a few clients who receive public funding in this way.

It is, of course, difficult when staff are off sick or are shielding, yet the employer needs to employ extra staff (i.e. agency workers) to assist - the obvious example being a care home needing to ensure its residents are cared for with the correct care provider/resident ratio. Agency workers bring additional cost beyond that which is perhaps funded by the public purse. This puts a strain on the employer's finances and is difficult.

I also realise that, when residents are perhaps removed from care homes by their families (as I understand is the case quite often at present) this can have a knock-on effect as funding is withdrawn. In this case, I would initially discuss with the local authority / council who provides the funding and see where you stand and what you can negotiate. Ultimately, if care homes struggle financially, this creates difficulty for the authority from a care perspective. It should therefore be amenable to an open discussion regarding this issue. That being said, if there is one section of staff whose wages are not publically funded, and this is clear, then you should, theoretically, be able to claim for those via the scheme.

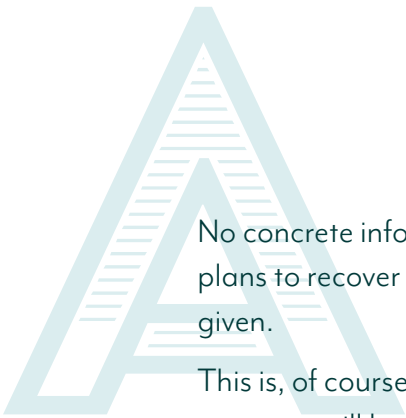
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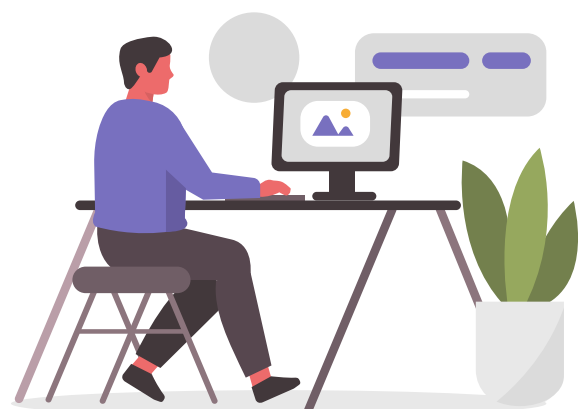
**Is there any information yet on furlough costs this will be recouped by the government (eventually). Will it be through the individual's own tax (maybe an increase in it or change in tax code once they are back at work), will it be the business' responsibility to pay it back through business tax or will it be like benefits etc. to which the whole country contributes?**



No concrete information or guidance has been provided as yet in terms of how the government plans to recover economically from the substantial and unprecedented financial support it has given.

This is, of course, a huge expense for the government and the UK, and indeed the global economy will be affected for many years to come. I would suspect that neither the individual taxpayer nor business will have to shoulder the burden alone; this is very likely to be a nationwide project where all individuals and corporate entities paying tax will have to play their part in rebuilding our economy.

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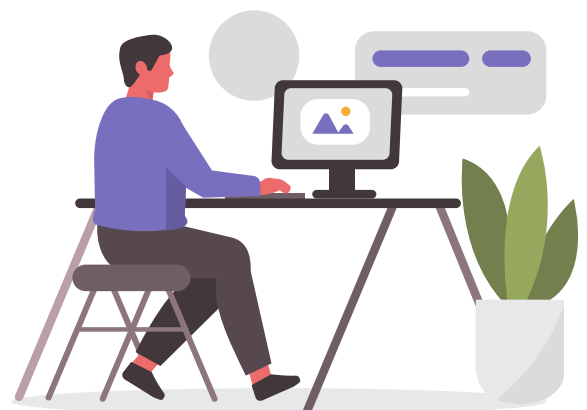


**How do tax and National Insurance contributions for the employee work in regards to the 80%, if they are not being topped up by their business? Does the tax and NI reflect the 80% or will it continue to be based on 100% of their annual salary? If they are only getting 80% and still paying tax and NI on the higher amount, are some employees going to be a little worse off than originally thought?**



Employers claiming wages through the Coronavirus Job Retention Scheme are able to claim not only the 80% of wages (with the £2,500 per month cap) but also reclaim the employer contributions for National Insurance and tax on this sum. Employees will continue to pay income tax, NICs (and any student loan repayments and any other deductions, such as pension contributions) from their 80% wage. If employers are not topping up wages to the full 100%, there will not be 100% of wages upon which to pay income tax and NICs on. There is nothing to suggest that employees will have to pay income tax and NICs on 100% of their wages, whilst receiving only 80%.

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## EMPLOYMENT



Staff cannot demand or request to be furloughed. Equally, employers cannot impose furlough leave; this should be agreed between the parties (in writing) as, if they are taking a pay reduction to 80% of their regular pay, it's a change to their terms and conditions of employment.

The Coronavirus Job Retention Scheme is designed to assist employees where they would otherwise be redundant, or at risk of redundancy – it is, as it says, a job saving or “retention” scheme. The scheme also covers employees who are shielding in line with government advice, and employees with caring responsibilities or commitments can also be furloughed.

If you have plenty of work, then it would not be prudent to furlough staff – you would then be without staff to service customers or generate income. In the light of the Covid-19 death, it is understandable that your workforce may have concerns. Open communication with staff is vital, however. Whilst you should listen to their concerns and consider your duty as an employer from a health and safety perspective, if work is not carried out and the business kept ticking over, there may not be a business for your workforce to return to and, in turn, they may find themselves redundant during one of the UK's worse economic times.



**I am concerned about meeting the criteria for furlough. We have had a Covid-19 death in the company and staff are asking to be furloughed. We have plenty of work and as yet are in no financial difficulty. HMRC have five years to audit any claims and claim back monies. Yet I find the answers to ‘can I furlough my staff’ very ambiguous; I am concerned that if we furlough, we may find afterwards we were wrong to do so.**

Can your staff work from home? Are there staff members who have underlying health conditions (but do not officially need to shield in line with government advice)? Are there staff with caring commitments? I would consider the workforce as a whole, in terms of what staffing level is required to operate the business, and look at individual employees' needs.

In the event that you have more staff than you currently need (I note you say you have plenty of work, however, it may be that this has dropped slightly) then you could look to rotate furloughing staff, rotating blocks of three weeks of furlough leave, so that staff take turns.

I note you specialise in engineering and therefore may operate a factory floor. PPE and social distancing are, of course, of paramount importance. Your health and safety duty, as an employer, must take precedence.

You are quite right; HMRC requires employers to keep records of written confirmation of furlough leave sent to staff for five years. It would be prudent to maintain an excellent paper trail to evidence your decision making and what you have done and why.

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**Do you have to pay furloughed staff first before you are entitled to the government 80% refund? If so, are there any support schemes available for businesses that have cash flow problems and cannot afford to do this?**

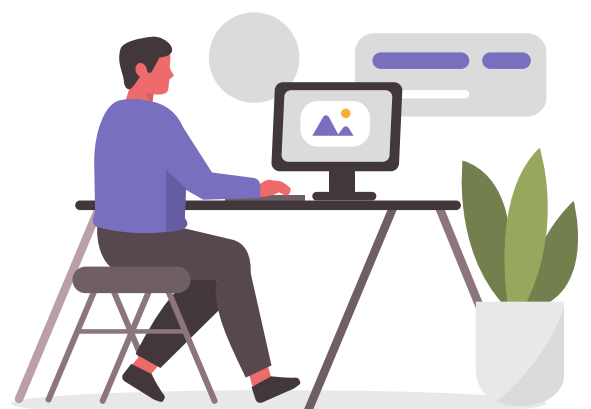
Cash flow is difficult for everyone; employers and staff alike. The Coronavirus Job Retention Scheme portal went live on 20 April 2020 and there have since been hundreds of thousands of claims.

The monies claimed via the scheme (provided the employer, and the staff applied for, meet the eligibility requirements) should reach the employer's bank account within six working days of making the application. The scheme is there to pay future wages (within the time frame of the scheme - which has been extended to the end of June) and also reimburse already paid wages, as appropriate.

Whilst there is not a requirement that an employer has already paid an employee their wages to claim via the scheme, I realise that some staff will be in financial difficulty if they do not receive their wage on the expected pay date - i.e. because of a delay in the employer claiming via the scheme or the six working days it takes for the money to reach the employer, and the employer to then pay via payroll.

This is the reason that many mortgage lenders and banks are offering mortgage "holidays" to assist individuals. It's also worth bearing in mind, for example, that if you are making a payment for March and April in your employee's April wage, you must deduct tax and National Insurance Contributions on that full amount.

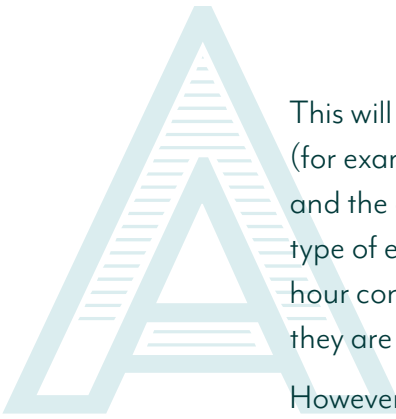
I would also recommend looking at the government advice page titled "Reporting employees' wages to HMRC when you've claimed through the Coronavirus Job Retention Scheme" for information on using the PAYE Real Time Information system and Full Payment Submission. Now that the scheme's portal has been live for some time, I would hope that most, if not every, employer who has needed to claim via the scheme, has done so.



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**Furlough - we have students and staff who would work on holiday camps which did not happen this Easter; do we have to furlough/pay them? Also, do we have to furlough/pay exam invigilators, given there are no exams?**

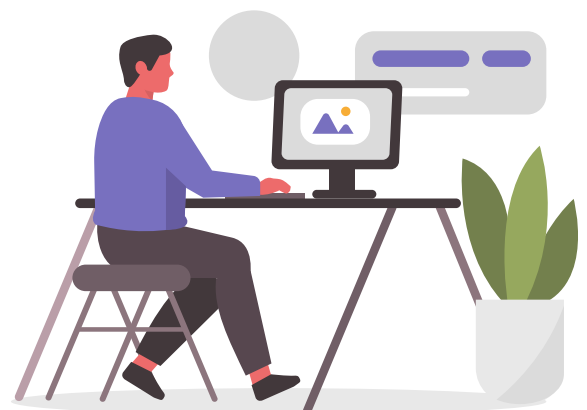


This will depend on the specific circumstances, such as whether the exam invigilators (for example) are employees, whether they are paid via PAYE (required for the CJRS) and the contractual arrangements in place. Employers can claim for employees on any type of employment contract, including full-time, part-time, agency, flexible or zero-hour contracts - and so the holiday staff and exam invigilators may come under this, if they are employees.

However, employees need to have been employed on 19 March 2020 and on your PAYE payroll on or before 19 March 2020. Staff covering holiday camps may be covered by virtue of their ongoing employment contracts with you, but students and exam invigilators may not be, depending on how they are paid and their status. If students and/or exam invigilators are not employees and are not paid through PAYE, they would not be eligible.

It is also worth considering your funding. If the school receives public funding to cover wages, typically, the government advice is that it does not expect an employer receiving public funding (via the LA or otherwise) and where that funding is continuing, to furlough staff and claim via the CJRS. This prevents 'double recovery'.

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## EMPLOYMENT

**What can owner/manager directors as sole employees of their limited company do, if furloughed? The main advice seems to be it is simply not practical for directors to furlough.**

Directors can be furloughed, but the only work they should do should be statutory duties while on furlough; e.g. filing accounts with Companies House. This limits the work that you can carry out. They should not do work of a kind they would carry out in normal circumstances to generate commercial revenue or provide services to or on behalf of their company. What counts as generating revenue is a grey area, so you would need to be careful about seeking contracts for the business.

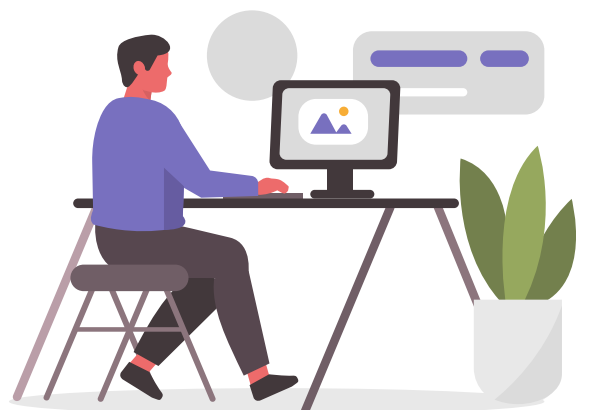
**There is concern around furlough – how you select people to furlough, the justification for selection and defending your decision at a later date, possibly five years later.**

Yes, it could be in five years' time. Do think about your selection. You can't force people to accept furlough. Think about furlough for parts of the business where there is a downturn or where there is exposure and really be mindful of the Equality Act provisions, making sure you are not being discriminatory in any of your decisions.

Keep a record of who you are selecting and why. Some employers are recording management team meetings and board meetings so they have a live Zoom record of decisions made, so that in five years' time you can look back and say 'I did this for that reason'.

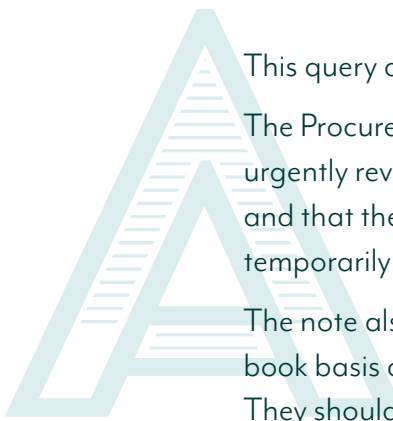
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**I'm a supplier to government and my company has offered to continue to pay for services that 'would have been' provided, with reference to the Cabinet Office Procurement Policy Note, PPN 02/20, supplier relief. Does this limit my ability to furlough staff, or is supplier relief totally separate to employee support?**



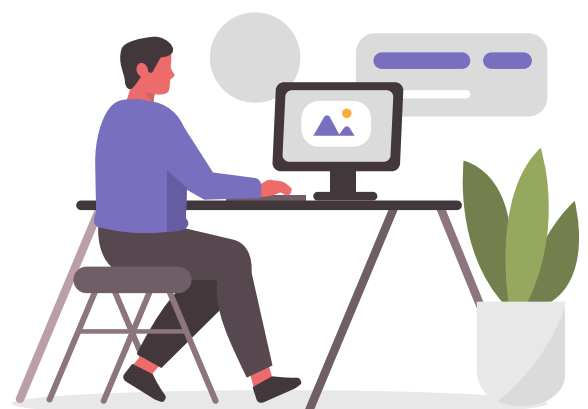
This query combines commercial law and employment law.

The Procurement Policy Note PPN02/20 states that all contracting authorities should urgently review their contract portfolio and inform suppliers who they believe are at risk, and that they will continue to be paid as normal (even if service delivery is disrupted or temporarily suspended until the end of June).

The note also states, in section 2, "To qualify, suppliers should agree to act on an open book basis and make cost data available to the contracting authority during this period. They should continue to pay employees and flow down funding to their subcontractors."

If your company is in receipt of public funding which covers wage expenses (it sounds as if it does) and this public funding is continuing (as it will be), then you are unlikely to be able to claim for 80% of wages (up to £2,500 per month per employee) via the Coronavirus Job Retention Scheme. There is a section on public authority employers and employers who receive public funding on the government webpage for the CJRS, which confirms that employers of this nature are not expected to claim via the scheme.

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## EMPLOYMENT



**Freelancers who are working for a limited company – they have furloughed themselves; what is their ability to generate new contracts while on furlough?**



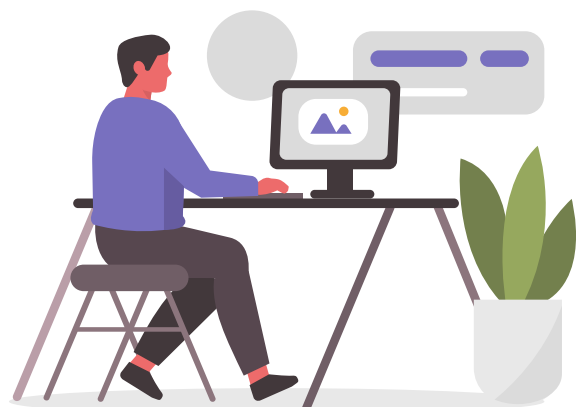
The question is ‘are you self-employed or are you an employee?’ You can only furlough yourself if you are an employee working through a limited company. There is a self-employed income support scheme that you might need to look at as well as furlough, and under that, you can look at ‘generating other revenue.’ Under the furlough scheme, you need to be careful that you are not providing work services, so that is a bigger grey area and I would sense check with one of us what you are doing, because it could be considered generating income and that would fall foul of the guidance.



**Can employers force staff to take a pay cut to reduce their costs?**



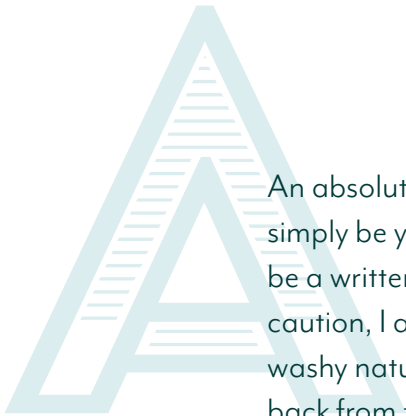
It really depends what their contract of employment says - do you have the right to do that, or to impose short-time working or lay-offs? You can't force it – it needs to be by agreement and with consultation which should be had with those members of staff. Quite often, again, when you look at the alternatives, some people may be happier to agree than others. Be careful what parts of the business you are applying this to and to whom, just to make sure that there is no discriminatory element. Is it a blanket pay cut or are you picking pockets of the business to apply it to? Don't force it through – it could be considered breach of contract and if you did so, you could be faced with unfair dismissal claims.



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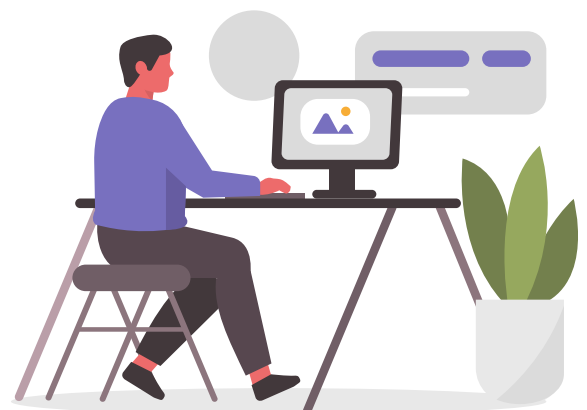
**Furlough relies upon agreement with employees – how do you go about reaching that agreement bearing in mind the potential imbalance of power between employer and employee and how much can you rely upon that agreement?**



An absolutely key point from the guidance is this agreement – could this agreement simply be you writing to the employee and them accepting it, or does there need to be a written agreement signed by the employee? Because I am erring on the side of caution, I am a bit more risk averse on this than I usually am because of the wishy washy nature of the guidance, I would say I would like to see written confirmation back from the employee that furlough has been accepted. That's fine in an email or a written note of a conversation, but there needs to be agreement both ways.

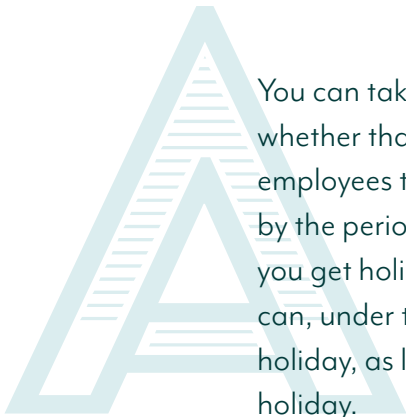
As for the balance of power, as long as you are giving your employee all the facts stating exactly what furlough is, what it means, being very clear and communicating well, I think one is covered, as long as you are supporting your employees and answering any questions they have. If an employee doesn't want to accept furlough, talk them through the options; they may find the alternative options much less attractive

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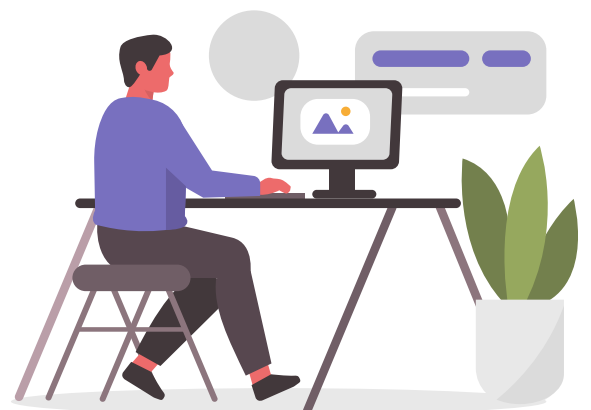
**When staff return from furlough, submit holiday request forms and want to go on holiday just at a time when the business is wanting to get back on its feet and rebuild, what is your advice on how to handle that, either when staff are on furlough or when they are back in the office?**



You can take holiday while on furlough; the issue that's still outstanding is whether that reduces the amount of time you spend on furlough. You can urge employees to take holiday while on furlough and seek to extend the furlough by the period of that holiday, if it's a minimum of three weeks' furlough, so that you get holiday that has been accrued taken during the furlough period. You can, under the Working Time Regulations, request that your employees take holiday, as long as you give the same amount of notice as the length of the holiday.

The alternative is that now the Working Time Regulations have been extended you can carry over holidays for two years, so you can reassure staff that, if they are prevented from taking holiday during furlough or afterwards, because business is manic after you come out of lockdown, which hopefully might be the case for some of us, although they can't take those weeks this year, they can carry them over to following years.

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Who can I ask if I have questions about negotiating, varying or cancelling my commercial contracts?

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# COMMERCIAL CONTRACTS



## How do I cancel my contracts?



Careful thought should always be given when you are considering cancelling a contract – is this solely due to Covid-19 or is this because of a wider business concern - for example, a breakdown in the business relationship or a rapidly declining market?

If your desire to cancel a contract is solely fuelled by Covid-19, unless it is absolutely clear that your contract provides for a right to terminate as a result of a force majeure event, and provided that this clause specifically mentions “epidemics or pandemics” or “Government action or intervention”, then you have a better chance of being able to terminate your contract. However, be warned that there may be further hoops to jump through before you can be totally excused from your contractual obligations – for example, you may have to notify your counter party promptly and also mitigate your losses.



Rather than jumping straight to termination, can you strike a new deal with your counter party or agree to postpone or reduce some of your contractual obligations? For example, can you negotiate a reduced supply or a lower price for a short interim period? These practical options should be considered if you wish to keep your contract intact post-Covid-19.

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## COMMERCIAL CONTRACTS



**How many businesses are really focussing on reducing their costs (without redundancies) through using professional procurement resource to renegotiate supplier contracts / terminate non-essential supplier contracts?**

We are increasingly seeing a wide range of clients using such resources and this activity is increasing the longer this situation persists. Although some businesses are using Covid-19 as the sole reason behind their decision to renegotiate supplier contracts or even terminate them, most business are simply taking the opportunity that this has brought them to have these conversations with suppliers. Most of these conversations have brought benefits to both suppliers and customers, not only in reducing costs, but in maximising output and generally strengthening commercial relationships.



**Are you seeing clients taking this opportunity to renegotiate contracts to reduce costs?**

Yes, Covid-19 is just a catalyst for that. Most contracts will have variation clauses within that, providing the parties both agree on variation, whether that's on cost or minimum obligation changes, if you're talking supply of goods for example, or postponing for a length of time. I have definitely seen negotiations of a good nature, in terms of getting both parties through this tough period. There is no point in making enemies at this time; it affects everyone, it affects all industries.

Of course there are some industries, like PPE, for instance, that are thriving, so there are new contracts coming through too, and some software companies behind the scenes helping those companies too. It is similar to Brexit – you have the positives and the negatives. If you can work on a collaborative approach so that both parties benefit, why not?

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# COMMERCIAL CONTRACTS



**On the subject of force majeure, we discussed being proactive – are you seeing people being proactive and negotiating their terms? What evidence of pragmatism are you seeing?**



There is a real mix; some are being really pro-active and have, since February or March, been putting plans in place, or they have a current exit strategy in place, so a lot of the clients we're seeing are ahead of the curve. For those that aren't, it depends on the bargaining position you start from, because a lot of clients at the moment are using force majeure as a sword, not a shield; they are being aggressive or trying to take the bull by the horns, trying to cut costs or get out of a business relationship that just isn't working; they see this as an opportunity to get out. At the other end of the scale, people are working together proactively.

Because the concept of force majeure and frustration are so technical and based on interpretation and subjective outlooks, it's very difficult to have a consistent approach across the board. I have not seen such an approach – I have seen a lot of different views as to whether they can get out of contracts or can't or whether they just postpone the supply of goods or services until this blows over. Of course, we don't know when that is likely to be and there are cashflow issues involved in that too. I think about 60/70% are looking to work proactively; the rest are acting on their last resort approach, out of desperation, especially in the events industry, and what's where you get a feud between the parties.



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# COMMERCIAL CONTRACTS



**Cabinet Office guidance to the public sector is to seek to reject any force majeure claims and to work proactively with suppliers to renegotiate terms and establish what can be done and when might contracts be performed, pragmatically. Are you seeing evidence of pragmatism across contracts?**



Yes and no. This is very much sector led. For example, businesses in the manufacturing sector and those businesses which generally supply goods, are very much adopting a pragmatic approach, with many business either postponing production, altering prices or changing minimum supply levels – anything that will ensure their contracts remain in place for when Covid-19 ends.

However in other sectors, such as the events and hospitality industry, pragmatism is often the last card to be played and we have already seen open and aggressive approaches by customer businesses to either force refunds or to force the supplier into other means of performing the contract.



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If you have a Covid-19 question, call our free phone helpline on 0800 086 2819, or email us at [covid19legalsupport@hcrlaw.com](mailto:covid19legalsupport@hcrlaw.com)





Who can I ask if I have questions about business interruption losses, insurance claims or managing disputes?

**Richard Morgan**

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# BUSINESS INTERRUPTION INSURANCE



**What legal powers does the government currently have to actually prevent a perfectly well-run business from operating as fully as possible - can it, for example, stop a manufacturer from manufacturing?**



As of 1pm on 26 March 2020 new regulations extending the restrictions are now enforceable by law in England due to the threat to public health. Therefore the government does have powers under law to issue penalty notices to anyone who runs their business in contravention of government guidance.

In England, Environmental Health and Trading Standards officers will monitor compliance with these regulations, with police support provided if appropriate. Businesses and venues that breach them will be subject to prohibition notices, and a person who is 18 or over and is carrying on a business in contravention of the regulations may be issued with a fixed penalty. If prohibition notices are not complied with, or fixed penalty notice not paid, offenders may also be taken to court, with magistrates able to impose potentially unlimited fines.

If your business is listed in the attached guidance from the government, then it will be a breach of law for you to remain open during the pandemic unless you are able to operate using one of the exceptions (provided within the government guidance at the link). Using the manufacturing example given, the business may operate provided that social distancing guidance can be adhered to. For example, receiving orders online, workers remain 2 metres apart when creating the product and deliveries are completed by one staff member who leaves the item at the door. In this scenario, the government would not prevent the business from operating as it does not breach guidance.



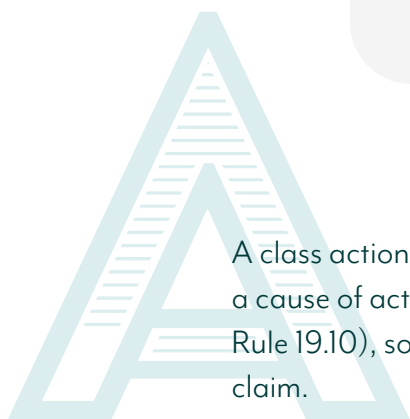
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# BUSINESS INTERRUPTION INSURANCE



**Can we launch a class action against the NHS staff who participated in Exercise Cygnus and then consciously failed to prepare for exactly this scenario? ([See Civil Contingencies Act for reference](#)).**



A class action may be brought in the High Court where more than one claimant has a cause of action raising common or related issues of fact or law (Civil Procedure Rule 19.10), so it is possible more than one person would have standing to bring a claim.

The Claimant/s must fall within the class of those intended to be protected by the legislation which breach has been alleged. Arguably any member of the public would fall into the definition of 'the public' who are owed duties and protections such as under Section 4 of the Civil Contingencies Act 2004 such as assistance and advice. There is an argument that the Civil Contingencies Act would apply, given Covid-19 falls within the definition of 'emergency' in Section 1(1). Under the Limitation Act 1980, you will have six years from the date upon which the damage was suffered to bring a claim.

Overall, it would appear that a group could bring an action against the NHS employees who participated in Exercise Cygnus; however, a court would consider who is truly liable for this pandemic and whether the NHS could be held responsible for something they did not ultimately have control over. One hurdle to establishing liability would be that the NHS can only operate with the funding they are awarded by the government.



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# BUSINESS INTERRUPTION INSURANCE



**Will typical public and employee indemnity policies protect a business if a contractor on the business owner's premises falls ill with coronavirus and dies or passes the disease to someone else who dies? If not, how can a business owner achieve protection?**

There are instances where either public or employee cover could be triggered during the coronavirus pandemic, given that both customers or members of the public may be owed a duty to be adequately protected from contracting the disease or to be warned of the risks of exposure.

Public liability insurance might cover operators of premises for claims from customers and members of the public, for failing to adequately protect them from exposure to coronavirus; this could be extended to include contractors.

Employers' liability insurance might be relevant. This would normally cover diseases that an employee risks exposure to in the normal course of work (e.g. laboratory technicians investigating Covid-19). However, it might also cover scenarios such as an employer who, knowing that an employee had travelled back from a country on any travel risk lists issued by the Foreign & Commonwealth Office (FCO), and/ or who has been exposed to Covid-19, then fails to implement adequate steps to protect other employees. The scenarios covered here are quite limited; cover is likely to insure those who have a much higher exposure to the virus, so it is recommended that you consider your individual policy wording and the type of work you employed the contractor to carry out.

One example of where an employee indemnity policy could protect a business if a contractor dies would be if the business was paying them to carry out overseas work in an area where it is known there is a high risk of the virus.

Exclusions which may prevent you from receiving a pay-out in the current scenario are 'accidental' language in policies; these policies place the onus on the insured to demonstrate that contraction of the virus was accidental, which may cause problems.

If you are unable to recover from your public or employee indemnity policies, you may be able to offer employees income protection, critical illness cover, death in service or life insurance cover. The Government announced on 28 April 2020 that death in service payouts will be made to all NHS workers killed by contracting the virus at work. Canada Life have also stated their Group Life will cover death by any cause including the coronavirus, so individual policies should be reviewed. If in doubt, then speak to your broker.

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# BUSINESS INTERRUPTION INSURANCE



## What is the true meaning of business interruption and how is that interpreted in business interruption insurance?



The first place to go will be the definitions clause in the policy. It is usually akin to the inability for the business to operate at all or being unable to operate in the way in which it usually operates. That will be an inability or reduction in business due to an insured risk – I mentioned earlier a material damage proviso, and without being unduly pessimistic, I have looked at a lot of these policies over the course of the last few weeks and there are very few which can be said to cover Covid-19 as an insured risk, but they do exist.

With a material damage proviso, the inability to operate the business is going to have to be linked to some physical damage to premises so it is a policy by policy question that needs to be addressed to the detailed and exact definitions in each policy as it arises.



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Talk to us about business survival during and after Covid-19

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**Partner, Lead on Covid-19**

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