



Business Interruption Insurance and COVID-19 General Advice



Personal Service, Quality Advice

This document is intended to provide you with an overview of the standard terms of insurance policies in the New Zealand market and is only general advice.

Please contact your broker if you have any questions or would like to discuss further.

Our full team is available either by email or by phone as we work from home and remain committed to assisting you throughout these changing times.

All of our individual contact details are available at www.rothbury.co.nz/contact-us.



What is business interruption cover?

Business Interruption policies provide for the financial losses of a business which result directly from:



physical loss or damage (for example fire, flood, burglary)



at the place that you have insured, **and**



to the things that you have insured (for example contents and stock), **and / or**



to the part of a building used by your business.

COVID-19: Losses resulting from site closures / loss of custom related to COVID-19 do not fall within the scope of cover.

What else is covered?

Business Interruption policies may cover other types of incidents. This cover is normally limited to a percentage of your overall cover. This can include incidents such as:



An authority closing your site due to inadequate drains, inadequate sanitary arrangements, or the escape of hazardous materials.



Injury, murder, or suicide on your site affecting access to your site.



Physical loss or damage at locations other than your site, affecting: • access to your site • business that attract customers to your site • supply of utilities to your site • your customers or supplier sites • the operation of transport routes or airports which supply your business.

COVID-19: Losses resulting from site closures or loss of custom related to COVID-19 do not fall within the scope of cover.

What isn't covered?

Business Interruption policies, like all insurance policies, exclude certain things. In relation to COVID-19 there are standard exclusions for either:



Any type of infectious disease.

Or



Epidemics, and infectious disease which is notifiable under health or biosecurity legislation.

Exclusions in an insurance policy override any cover provided elsewhere in the policy.

COVID-19: Losses connected with COVID-19 are excluded from cover.

Why is COVID-19 not covered?

Insurers and reinsurers work to ensure that if they are providing cover for a risk, the risk can be absorbed by them.

The financial implications of some risks are so large that insurers cannot absorb them: providing cover would almost certainly lead to their financial collapse. For this reason, insurers do not provide cover for these types of risks. Examples are:



Nuclear disaster



War



Terrorism



Epidemics

Ensuring the financial security of insurers means that people, businesses and economies can be confident in the security insurance provides.

Where to go for more information

We know that this is an incredibly stressful time for business owners.

If you would like to discuss this in more detail, or if you have any questions, please get in touch with your Rothbury broker www.rothbury.co.nz/contact-us

We encourage you to utilise the Government Employer Support and Business Finance Support schemes, and to also seek support from your banking and finance providers <https://covid19.govt.nz/government-actions/financial-support/>

The information provided in this communication is general in nature only and does not constitute personal financial advice. The information has been prepared without taking into account any personal objectives, financial situation or needs. Before acting on any information in this communication you should consider the appropriateness of the information having regard to your objectives, situation and needs. It is important to seek appropriate professional advice before making any decisions.

All statements made in this communication are made in good faith and are believed to be accurate and reliable. Rothbury does not give any warranty as to the accuracy, reliability or completeness of information that is contained in this communication, except in so far as any liability under any law cannot be excluded. Rothbury, its directors, employees and their representatives do not accept any liability for any error or omission in this communication or for any resulting loss or damage suffered by the recipient or any other person. Unless otherwise specified, copyright of information provided in this communication is owned by Rothbury. You may not alter or modify this information in any way, including the removal of this copyright notice.

