

Rowlands & Hames – Coronavirus / Covid-19 Guidance Newsletter

Newsletter 6 - As at 10am on 19th June 2020

Introduction

Welcome to the latest Covid-19 newsletter from Rowlands & Hames – previous newsletters can be found at <https://rowlands-hames.co.uk/coronavirus-covid-19-rowlands-hames-advice/>

Back to Work advice

We have added several further 'advice' notes from insurers relating to the safe re-opening of Hotels, Offices and a number of other trades – please refer to Newsletter 4 via the following link: <https://rowlands-hames.co.uk/covid-19-newsletter-4/>

Redundancies (Legal Expenses Insurance) referrals – Important!

Should your business be considering making redundancies (given the 45 days consultation period) it is vital any such business refers its redundancy planning to its Legal Expenses Employment Disputes insurer (if insured).

Employment Disputes insurance is not held by all clients as the policy's standard terms and conditions are often onerous and difficult to comply with, but the policies are relatively cheap with minimal excesses and if you have complied with all employment regulations, are happy to use the insurer's own employment solicitor and the insurer is confident there is a prospect of success, they can be invaluable. Legal Expense insurers also provide free legal/employment helplines.

Most employment disputes policies stipulate any proposed redundancies are referred to the legal expense insurer so it may verify you have taken the correct steps – if you are thinking of making redundancies and hold Employment Disputes cover within any Legal Expenses insurance, please ensure you refer any proposed redundancies to the insurer – failure to do so may invalidate the cover. It is also critical any employment disputes are referred to your insurer as soon as you have knowledge of any employment dispute.

Many clients hold Employment Practice Liability (EPL) either as an alternative or in addition to Employment Disputes cover which usually only trigger prior to Employment Tribunals, but given EPL's standard £5,000 excess (due to its wide coverage and far fewer conditions), Employment Disputes cover can be a useful tool in your armoury.

Driving Licences – do not forget!

Martin Lewis of MoneySavingExpert.com is reminding everyone to check their Driving Licences to ensure their ten-year licences have not expired during Covid. DVLA may not have reminded individuals. A temporary Covid-19 related extension has been granted but it is feared many people will not action the renewal process and failure to hold a valid driving licence can lead to prosecution and clearly be problematic for firms' vehicle insurances.

Furlough – Employers' errors

With Furlough 'fraud' very much in the news, be sure to review your previous furlough applications for any accidental errors - please report any such errors in line with HMRC's guidance to avoid prosecution etc.

Firms' Management Liability (MLP) Insurance's Directors' & Officers' / Corporate Liability cover ought to respond to 'allegations of wrongdoing' following subsequent HMRC investigations, but this cover will only pay for any defence and investigation costs in relation to any accidental errors. MLP policies will generally exclude fraud/personal profit claims and they will not provide for the repayment of furlough monies.

Temporarily Unoccupied Properties because of Covid– Important!

During the statutory lockdown period insurers agreed to maintain 'full' cover whilst trading premises were 'temporarily' unoccupied because of regulations.

Now that the lockdown has been lifted for most trading premises however, and is expected to be lifted for the balance in early July, insurers' standard unoccupancy terms and conditions (i.e. restricted cover) will kick-in should you decide to keep your business closed post the lockdown restrictions. Office based policyholders will fall within this definition as employees may continue to work from home despite office staff being able to return.

If your premises/office remains closed or you intend to remain closed post the restrictions, please contact us immediately so we may negotiate as wide unoccupied terms as possible with your insurer. Failure to do so will invariably mean your cover will be restricted, often to just Fire, Lightning, Aircraft & Explosion perils only.

Counselling Helpline – Useful!

Should you hold a Legal Expenses policy there's often a Confidential Counselling Helpline available which you can make available to all staff and directors – this will provide personal counselling advice regards stress and anxiety, family issues, financial concerns etc. etc.

As part of your 'duty of care' towards your employees it's good practice to offer such a service to your employees – simply publish the Counselling Service's telephone number and your policy number either to all staff or to individuals you feel would benefit.

Please speak to your usual R&H contact if you require any assistance with any of the above subjects or indeed anything insurance related.

Rowlands & Hames Insurance Brokers
19th June 2020