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UNOCCUPIED PROPERTY

GUIDANCE ON PROTECTING
YOUR BUSINESS PREMISES
DURING THE COVID-19 PANDEMIC

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INTRODUCTION

As a result of the COVID-19 pandemic, many organisations are having to change and adapt their ways of working. Many are now enabling home working, reducing to skeleton staffing, or introducing cleansing regimes to maintain their daily operations.

However, for a high number of businesses this isn't possible and following the Government advice they have temporarily closed their doors leaving the premises unoccupied.

Buildings, whether temporarily closed or permanently unoccupied, can be at greater risk from the likes of arson, antisocial behaviour such as vandalism or squatters, theft, and escape of water.

As your broker we want to make you aware of unoccupancy clauses on policies both for properties and contract sites, as well as provide you with advice on how to manage your unoccupied property. Within this document we have collated guidance from a range of insurers and trusted sources that we hope will help to make a positive difference to your business during this difficult time.

If you have any specific queries, please contact us today. We are waiting for your call.

POINTS TO CONSIDER WHILST YOUR PREMISES ARE UNOCCUPIED

1. Protect against fires – turn off and unplug all electrical items within your property and electrical systems isolated at the main fuse board, with the exception of business-critical items which are required to keep your business running and support temporary home working
2. Ensure testing is done of fire alarms, intruder alarms, sprinklers
3. Protect against arson by removing any valuable items or internal waste
4. Inspect the property regularly if permissible. If that isn't possible at this moment in time, ensure you return to check the property as soon as you can
5. Continue to update your risk assessment or business continuity plan.

BUSINESS RESILIENCE

All activities must only be undertaken in line with the current guidance issued by HM Government. www.gov.uk/coronavirus

NON-ESSENTIAL RETAIL PREMISES

During the current crisis all non-essential retail premises are required to close for some weeks. The following guidance may help with this:

- Ensure food and combustible waste is removed and that the premises are clean, with fire and intruder alarms set and access secured
- Check loading bays and loading bay shutter doors are locked and isolated
- Before leaving, it is worthwhile finding out if it's possible to view internal and external CCTV remotely to avoid visiting premises during the period of restricted movement.

HOSPITALITY GUIDANCE

It is likely that all Hotels/Hospitality/Restaurants/Leisure sites, if not already closed, will be shutting down due to changing restrictions. Here is some guidance to follow in the event of a complete shutdown being implemented:

- Boiler plant, HVAC Systems and any other specialist plant i.e. jacuzzi, saunas, steam rooms, etc should be isolated (Be aware that there may be auto dosing systems in place)
- Swimming pool filtration and dosing of pool water – should be left running for water cleanliness and avoidance of Legionella
- Calorifiers and hot water systems need to be maintained at a constant temperature to prevent Legionella growth over a prolonged period. If this is not possible, they should be dosed sufficiently to limit bacterial growth
- Passenger lifts or escalators should be locked off or isolated
- All spirits, wines etc should be removed from bars and cellars
- Beer and CO2 gas lines should be turned off and any cellar areas secured
- All spoilable food should be removed and freezers / fridges turned off.

BUSINESS RESILIENCE

CONSTRUCTION SITES CHECKLIST

Excavations

- Securely fenced
- Sides battered/benched
- Open manholes sewer interventions closed
- Attenuation tanks sealed
- Pile caps sealed
- Caissons sealed

Scaffolding

- Secured and checked

Plant Security

- High Rise Cranes secure and slew brake free
- Mast Climber secure
- Excavation Plant secure and immobilised
- Small plant items off hired/removed from site

Site Offices/Establishment

- Water isolated
- Power isolated
- Laptops/computers taken off site
- Welfare facilities cleaned
- Food waste and rubbish removed
- Pest control measures operational

Structure/Build

- Access secured
- Temporary supports/falsework in place
- Structure stable to wind loading
- Loose materials removed/secured
- Services isolated and locked off
- Valuable construction materials inventoried and secured.

EMERGENCY RESPONDERS

For premises that retain sufficient personnel, ensure that there are adequate numbers of trained staff on emergency response teams and if not then suspend all high-risk activity such as confined space entry and hot works.

ABI GUIDANCE ON HOW THE INSURANCE INDUSTRY IS SUPPORTING UNOCCUPIED PREMISES WHERE BUSINESSES ARE TEMPORARILY CLOSED

- If a business has to temporarily close because of Covid-19, where customers are taking the appropriate steps to mitigate the risk of damage to the property whilst unoccupied, insurers will be flexible around the period of un-occupancy specified on the policy document
- Policies will often include conditions that are intended to ensure good practice in protecting buildings of damage caused by the risk of fire, theft and escape of water, which are often increased when a building is empty. It is important that business owners continue to follow risk management advice and ensure they understand what steps they need to take
- Some insurers have also waived requirements for their business customers to immediately notify them of their unoccupied status (depending on the individual business circumstances). This should help those customers concentrate on managing their businesses and allow insurers' call centres to focus on managing the significant number of insurance claims being processed
- If there are any specific requirements as part of your insurance contract that you are unable or unlikely to be able to comply with, such as on-site security, speak to your insurer or insurance advisor/broker.

INSURER VIEWPOINT

Many policies would define a building as unoccupied if empty, or not being fully utilised for business purposes, for a period in excess of 30 days. As a result of the COVID-19 pandemic a number of insurers have extended this period to a minimum of 60 or in some cases 90 days.

What does this mean?

This means a client will not have to inform the insurer that the premises are unoccupied, or be subject to any of the policy requirements in respect of unoccupied buildings. At the end of that period the client must inform us if the premises are empty and we'll work with them to manage the unoccupancy in the most suitable way.

Of course, these timescales are dependent on the insurer and we will be able to advise on individual policies.

UNOCCUPIED PROPERTY Q&A

My employees are working from home due to recent government guidance, will they be covered by my insurance policy?

If you currently purchase employer's liability cover for your business, then you don't need to worry – this will extend to cover them while they are working from home during this period.

Am I covered for my contents that my employees take home in order to work there?

Generally, insurers give cover for contents other than laptops, tablets or mobile phones that are at employees' homes. Again you will need to speak to us as each policy differs.

My business has suffered a loss of revenue as a result of full or partial closure as a direct result of Coronavirus. Can we recover these losses under our business insurance policy?

Most business insurance policies will carry business interruption cover although this generally only covers losses which result directly from "property damage". The business interruption section of some policies will carry an extension for infectious diseases but this will generally be in respect of a specified list of diseases which will not include Coronavirus. Other business interruption extensions can include losses as a result of closure enforced by a competent public authority but, again, this will generally only include enforced closure as a direct result of an incident at your place of business.

Have a more specific question or need to discuss your cover?

Get in touch with us today.