



Coronavirus Response

AXA Covid-19 exclusions

Summary

Following feedback from our customers and discussions with our reinsurers, AXA have decided to review and revise the exclusions that we introduced during the early stages of the Covid-19 epidemic.

The new exclusions have two main benefits for customers:

1. The Material Damage and Business Interruption exclusions are now clear that they do not apply to losses arising out defined perils. It was not our intention that the use of the word 'indirectly' in the previous Covid-19 exclusion should apply to exclude cover arising out of defined perils and we did not intend to interpret the wording in this way, however we believe the revised exclusion helps address the concerns that have been raised, and
2. For Real Estate/Property Owners polices the exclusion no longer applies to the Property Owners Liability section.

The new exclusion applies to all communicable diseases including WHO pandemics and other coronaviruses as detailed in the exclusion itself.

When will the new exclusions be available?

Branch Traded Commercial Combined, Motor Trade and Real Estate Policies

- **New Business** - with immediate effect for all new quotations
- **Renewals** – To be confirmed with our renewal terms but generally renewals starting from late August or early September.

E-Traded business and other Package Policies (Shops, Offices, Surgeries, Working From Home)

- These types of policies will require internal and external IT changes to support the revised wordings and to correctly apply exclusions by trade.
- Our teams are urgently seeking to implement the changes required to offer the revised approach and we will communicate the start date as soon as this is available.



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For further detail of the exact changes applying, by type of policy and cover type please see below:-

All policy types

- As previously communicated, AXA's standard Material Damage and BI policy wordings did not extend to include Disease claims or Denial of Access to premises arising out of Covid-19. We have however decided to ensure that in future all AXA Insurance policies will clearly state that we are not offering any cover for losses arising out of any form of Disease or Pandemic (including Covid-19) under our standard MD, BI and Non Damage BI wordings
- We will continue to offer cover for named and agreed diseases where this is requested by the client but this will not include Covid-19 or related diseases and will be subject to both a maximum duration of loss and maximum amount any claim and any one period of insurance.
- We have received enquiries from a number of brokers with regard to the reference in our original wording to “indirectly caused by or in any way contributed to by, resulting from, arising out of, or in connection with” and appreciate the concerns that have been raised in terms of defining where this would or would not apply.
- As a result of this feedback from you we have taken advice and reviewed so the exclusion now clearly states that it will not apply to physical loss or damage that results from a “defined peril” as defined in the policy.
- Samples of the revised exclusions are shown at the end of this document.

Real Estate (Flats and Commercial Premises)

- We originally notified you that AXA was applying a total policy exclusion to our Real Estate policies which would apply to all sections of cover other than Employers Liability and that therefore the exclusion would apply to Property Owners Liability.
- Following a review, we have decided that it is more appropriate that we individually assess and underwrite any Covid-19 / Pandemic exposure that might apply to the Property Owners Liability exposure of a client. Going forward we will therefore not apply this exclusion to the POL section of Real Estate policies.
- We would however remind brokers that fair presentation should extend to any specific adverse Covid-19 exposure such as premises that are being rented out for use as testing stations or patient treatment.





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Goods in Transit Insurance (Standalone and Sections within other Package Products)

- Whilst we have been reviewing our position in respect of Material Damage covers within our products, we have also taken the opportunity to clarify the position under Goods in Transit coverages through the application of a similar Disease exclusion to that described above. The Exclusion will remove any cover for Disease (as defined within the Exclusion), whilst explicitly preserving the intended Goods in Transit cover ie that of physical loss or damage to the relevant property insured.
- A similar timeline for the application of the New Exclusion for both New Business and Renewals will apply as stated above.

Public Liability

- As per our original communication in April, AXA believe it is appropriate to exclude Public Liability arising out of the transmission of Covid-19 for a small number of selected trades where the exposure is significant or is impacted by the efficacy of the service provided.
- We will therefore continue to apply the attached exclusion to New Business and Renewals within the trades we have identified as carrying exposures that are outside the norm. Where relevant this will be communicated as part of our contract certain quotation or renewal invitation
- Where clients for any reason do not have the same degree of exposure as might normally be expected, our underwriters are empowered to discuss the factors reducing that risk and where appropriate consider offering cover.
- No standard exclusions will apply to our Employers Liability covers

Commercial Package Contracts (Shops, Offices, Working From Home etc)

- Due to systems constraints, AXAs approach initially was to apply a Covid-19 exclusion that applied to all sections of the policy other than Employers Liability
- Following feedback from customers and further work on systems, our proposed approach will be to:
 - » apply the same Covid-19 exclusions and wordings as apply to our Combined and Real Estate policies to all Material Damage and Business Interruption sections of Package Policies
 - » to only apply Public Liability to the same specific trades as are subject to a Public Liability Covid-19 exclusion.

We continue not to apply any exclusions to EL sections of any policies.





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Covid-19 exclusion wordings

Meanings of defined terms

Excluded pathogens or diseases means

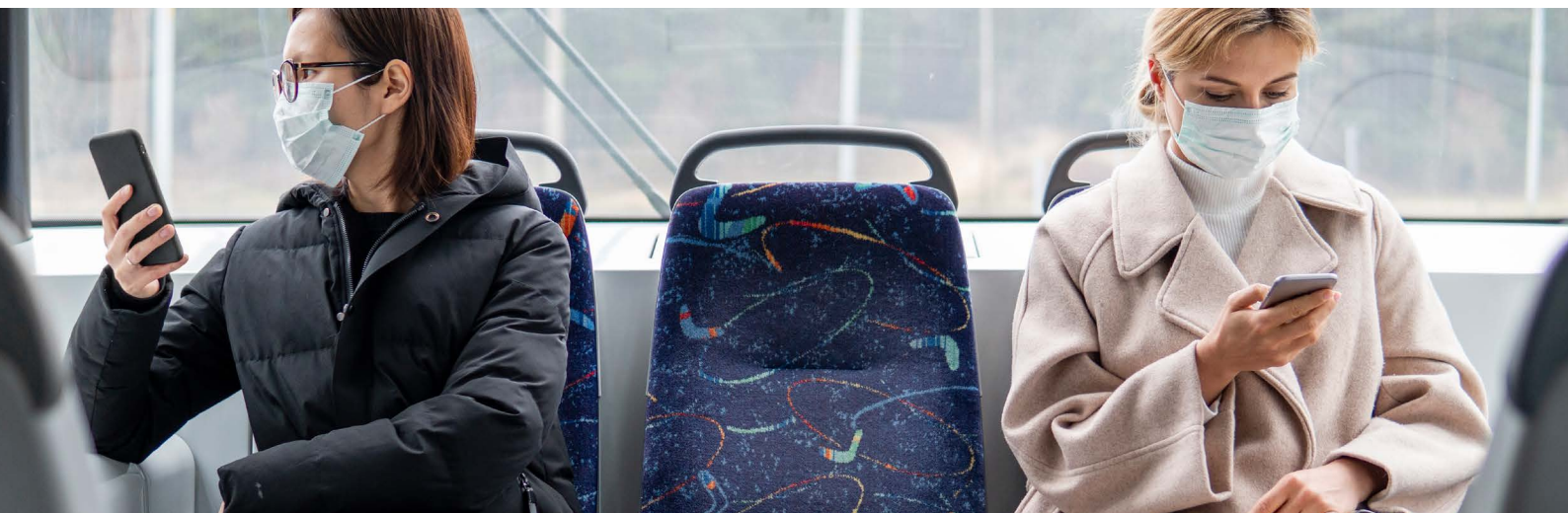
- a. any coronavirus or the disease it causes, including but not limited to severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) (COVID-19), severe acute respiratory syndrome coronavirus (SARS-CoV) (SARS), Middle East respiratory syndrome coronavirus (MERS-CoV) (MERS), or any mutation or variation thereof
- b. H1N1 influenza virus (and the disease it causes; 'swine flu') or H5N1 influenza virus (and the disease it causes; avian influenza or 'bird flu') or any mutation or variation thereof
- c. any disease the World Health Organisation declares as a public health emergency of international concern or notes as a pandemic
- d. any other **communicable disease**

Communicable disease means any disease, illness or condition which is caused by or can be transmitted by means of any substance or agent from any organism to another organism (human or otherwise) where the:

- I. substance or agent includes, but is not limited to, any pathogen, virus, bacterium, parasite, fungus or other organism, micro-organism or any variation or mutation thereof, whether deemed living or not, and
- II. method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms.

This exclusion does not apply to:

Physical loss, damage or destruction to property insured, where such physical loss, damage or destruction arises from a **defined peril**. For the avoidance of any doubt, the **defined peril** 'malicious persons' does not include persons who maliciously, deliberately or recklessly cause pathogens to come into contact with the premises or property of any person or entity





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CO1 Covid-19 exclusion

In respect of all cover provided under this section and notwithstanding any other provision, no cover is provided for any claim, loss, liability, cost or expense of whatever nature directly or indirectly arising out of, contributed to by or resulting from coronavirus disease (COVID-19), severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), or any mutation or variation thereof.

This exclusion also applies to any claim, loss, liability, cost or expense of whatever nature directly or indirectly arising out of, contributed to by or resulting from:

- (i) any fear or threat (whether actual or perceived) of; or
- (ii) any action taken in controlling, preventing, suppressing or in any way relating to any outbreak of;

coronavirus disease (COVID-19), severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), or any mutation or variation thereof.

CMB/CMC – Disease Exclusions

MDC DE1 Disease exclusion

Notwithstanding any other provision within this section, no cover is provided under this section for any loss, damage, claim, loss of value, loss of use, cost or expense of whatsoever nature, directly or indirectly caused by or in any way contributed to by, resulting from, arising out of, or in connection with:

1. any **excluded pathogens or diseases**
2. any fear or threat (whether actual or perceived) of any **excluded pathogens or diseases**
3. any advice given or action taken (whether or not by a competent authority) in controlling, preventing, or suppressing the occurrence, outbreak, spread or effects of any **excluded pathogens or diseases**
4. the cleaning, disinfecting, decontaminating, repair, replacement, recall, inspecting, testing and checking of property which is or is feared to have been affected by any **excluded pathogens or diseases**.

BIC DE1 Disease exclusion

Notwithstanding any other provision within this section, no cover is provided under this section for any loss (including business interruption loss, loss of value and loss of use), damage, claim, cost or expense of whatsoever nature, directly or indirectly caused by or in any way contributed to by, resulting from, arising out of, or in connection with:

1. any **excluded pathogens or diseases**
2. any fear or threat (whether actual or perceived) of any **excluded pathogens or diseases**
3. any advice given or action taken (whether or not by a competent authority) in controlling, preventing, or suppressing the occurrence, outbreak, spread or effects of any **excluded pathogens or diseases**
4. the cleaning, disinfecting, decontaminating, repair, replacement, recall, inspecting, testing and checking of property which is or is feared to have been affected by any **excluded pathogens or diseases**.



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Selected All Risks SAC DE1 – Disease exclusion

Notwithstanding any other provision within this section, no cover is provided under this section for any loss, damage, claim, loss of value, loss of use, cost or expense of whatsoever nature, directly or indirectly caused by or in any way contributed to by, resulting from, arising out of, or in connection with:

1. any **excluded pathogens or diseases**
2. any fear or threat (whether actual or perceived) of any **excluded pathogens or diseases**
3. any advice given or action taken (whether or not by a competent authority) in controlling, preventing, or suppressing the occurrence, outbreak, spread or effects of any **excluded pathogens or diseases**
4. the cleaning, disinfecting, decontaminating, repair, replacement, recall, inspecting, testing and checking of property which is or is feared to have been affected by any **excluded pathogens or diseases**.

Money – MOC DE1 Disease exclusion

Notwithstanding any other provision within this section, no cover is provided under this section for any loss, damage, claim, loss of value, loss of use, cost or expense of whatsoever nature, directly or indirectly caused by or in any way contributed to by, resulting from, arising out of, or in connection with:

1. any **excluded pathogens or diseases**
2. any fear or threat (whether actual or perceived) of any **excluded pathogens or diseases**
3. any advice given or action taken (whether or not by a competent authority) in controlling, preventing, or suppressing the occurrence, outbreak, spread or effects of any **excluded pathogens or diseases**
4. the cleaning, disinfecting, decontaminating, repair, replacement, recall, inspecting, testing and checking of property which is or is feared to have been affected by any **excluded pathogens or diseases**.

Contractors All risks – CAC DE1 Disease exclusion

Notwithstanding any other provision within this section, no cover is provided under this section for any loss, damage, claim, loss of value, loss of use, cost or expense of whatsoever nature, directly or indirectly caused by or in any way contributed to by, resulting from, arising out of, or in connection with:

1. any **excluded pathogens or diseases**
2. any fear or threat (whether actual or perceived) of any **excluded pathogens or diseases**
3. any advice given or action taken (whether or not by a competent authority) in controlling, preventing, or suppressing the occurrence, outbreak, spread or effects of any **excluded pathogens or diseases**
4. the cleaning, disinfecting, decontaminating, repair, replacement, recall, inspecting, testing and checking of property which is or is feared to have been affected by any **excluded pathogens or diseases**.



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Computer insurance section ECC DE1 Disease Exclusion

Notwithstanding any other provision within this section, no cover is provided under this section for any loss (including business interruption loss, loss of value and loss of use), damage, claim, cost or expense of whatsoever nature, directly or indirectly caused by or in any way contributed to by, resulting from, arising out of, or in connection with:

1. any **excluded pathogens or diseases**
2. any fear or threat (whether actual or perceived) of any **excluded pathogens or diseases**
3. any advice given or action taken (whether or not by a competent authority) in controlling, preventing, or suppressing the occurrence, outbreak, spread or effects of any **excluded pathogens or diseases**
4. the cleaning, disinfecting, decontaminating, repair, replacement, recall, inspecting, testing and checking of property which is or is feared to have been affected by any **excluded pathogens or diseases**.

PPP DE1 Disease exclusion

Notwithstanding any other provision within this **policy** except for any cover provided under Section 3 – Public Liability, Section 4 Employers’ Liability and Section 5 - Terrorism, no cover is provided under this **policy** for any loss (including loss of **rental income**, loss of value and loss of use), damage, claim, cost or expense of whatsoever nature, directly or indirectly caused by or in any way contributed to by, resulting from, arising out of, or in connection with:

1. any **excluded pathogens or diseases**
2. any fear or threat (whether actual or perceived) of any **excluded pathogens or diseases**
3. any advice given or action taken (whether or not by a competent authority) in controlling, preventing, or suppressing the occurrence, outbreak, spread or effects of any **excluded pathogens or diseases**
4. the cleaning, disinfecting, decontaminating, repair, replacement, recall, inspecting, testing and checking of property which is or is feared to have been affected by any **excluded pathogens or diseases**.

