



# Coronavirus Response

## Buildings and Business Premises that are closed in order to comply with local, regional or national Covid-19 regulations

On Monday 4 January the UK Government announced a further national lockdown in England, commencing immediately for an unspecified time period, which sits alongside similar further tightening of rules and regulations in Wales, Scotland and Northern Ireland.

We therefore felt it was important to remind our customers of the impact this situation has on property insurances and of the support and guidance AXA can offer in the management of unoccupied buildings during this challenging time.

Further to earlier updates, all of our customers who have a property insurance element to their policy have a minimum 30-day definition of unoccupancy/empty (some customers may have longer periods specified in their policy, in which case the longer period applies). If a building is unoccupied for longer than 30 days (or longer if specified) we ask that our customers notify AXA as soon as practically possible via their normal contact point.

This is potentially a greater issue than under previous lockdowns due to:

- the mixture of the original national lockdowns, regional / local lockdowns and the English UK tiered system mean that many (if not most) affected businesses will have already been closed and therefore have either reached the 30 day limit or will be approaching it.
- the move into the coldest part of the year when “freezes” and bad weather significantly increase the risk of damage to property.

In normal circumstances AXA would charge additional premiums as well as restricting or limiting cover to reflect the increased risk of unoccupied buildings, but during this challenging time we are committed to supporting our customers where we can. Consequently, we are renewing our commitment not to charge any

customer additional premium due to a building being unoccupied solely as a result of Government lockdown or furloughing of staff due to Covid-19.

In addition, we will not normally restrict the perils insured or increase the excess unless there are specific concerns regarding the risk in question, the previous loss experience or the ability to comply with standard risk management precautions. Similarly, we will only specify additional security requirements in exceptional circumstances where there are specific risk-based concerns.

Upon notification to us our local teams will advise what requirements should be put in place to protect the unoccupied building(s). This will generally be as follows:

1. The building should be inspected internally and externally at least once per week.
2. That refuse, waste and any mail is regularly removed from the building.
3. The building is fully secured using all protective locking devices available, setting any alarms and activating any CCTV available.
4. Ensure that gas and electricity supplies are turned-off at the mains – except any electricity required to maintain essential building services, alarms or to run computer servers etc. whilst working from home.
5. Any empty building or empty part of the building has its water supply isolated at the mains. For extended empty periods that water and heating systems are fully drained-down – this is particularly important for protection of our customers buildings during this time of year.



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If for any reason — such as ‘shielding’ — the customer is not able to comply with the above requirements in person please advise us and we will recommend third-party contractors who will be able to assist, or we may be able to propose alternative solutions.

These five key risk management requirements are fundamental for the preservation of property during this challenging period. If a customer can’t meet these requirements in full please advise your local AXA contact immediately and we will discuss potential alternative solutions.

Please note that these benefits only apply to buildings which are unoccupied due to Government lockdown. Buildings which are long-term unoccupied, where a tenancy has ended, or the occupier has formally ceased trading, will be subject to our standard underwriting approach.

We appreciate that the current situation can be confusing for customers with so many full, partial and regional lockdowns so we would like to make the following clarifications:

- If a building is occupied/trading for at least seven consecutive working days a fresh 30-day unoccupancy waiver period is provided. Customers do not need to notify us that the building is unoccupied until the 30 days is exceeded.
- If a building was unoccupied prior to the announcement on 4 January, the 30-day period starts from the date the building became unoccupied and not the 4 January.
- If a building is partially occupied, such as a restaurant undertaking take-away business or a retailer undertaking click and collect business, we do not regard it as unoccupied and there is no need to notify AXA.
- Larger buildings which are partially occupied are not regarded as unoccupied, provided that approximately 50% of the floor space is occupied (e.g. at least three floors of a six-storey building).

**If you have any further questions or concerns regarding the approach to the management of unoccupied buildings, please do not hesitate to contact your local AXA representative. Please also note that our preferred security partner — First Response Group — will continue to operate should you need their support in protecting an unoccupied building.**