

COVID-19

FAQ for Financial Lines Insurance Policies on revenue reductions, business closures and cancellation requests

Financial Lines Insurance Policies

- Directors' & Officers' Liability
- Employment Practices Liability
- Crime/Fidelity
- Statutory Liability
- Professional Indemnity
- Medical Malpractice
- Management Liability

We are expecting a significant decrease in our revenue and would like a premium reduction?

Insurers do not issue premium reductions or premium increases for **financial lines** insurance policies when fluctuations in the company's revenue occur during the policy period. Insurers calculate the premium based on the revenue for the past 12 months. Therefore, any reduction in revenue you experience in the current policy period will be considered when the premium is calculated at the renewal.

It is important to remember this insurance is claims made and the policy in force is responsible to cover claims arising from all past work (*up to the retroactive date noted in the applicable policy*). This means even though the revenue may decrease in the next 12 months the insurer is still exposed to all the company's potential liability when the revenue was higher which will be considered in determining the renewal premium together with market conditions

I am continuing to run my business but need to cancel my insurance

It is important to remember this is a "claims made" policy. A 'claims made' policy requires the cover to be active at the time you become aware of a claim or a potential claim for indemnity to be granted. Any claim or potential claim you become aware of after the policy has been cancelled will not be covered, this includes any claims arising from services provided whilst you held a policy.

For this reason, we strongly recommend you maintain ongoing insurance to protect your business. If your decision is to continue with the cancellation of this policy, please confirm by return email as we require your written instruction before actioning the cancellation.



I am shutting down/selling my business and need to cancel my insurance?

It is important to remember this is a “claims made” policy. A ‘claims made’ policy requires the cover to be active at the time you become aware of a claim or a potential claim for indemnity to be granted. Any claim or potential claim you become aware of after the policy has been cancelled will not be covered, this includes any claims arising from services provided whilst you held a policy. For this reason, we strongly recommend you purchase run off coverage to provide ongoing protection for new claims resulting from your past services.

We can obtain quotes for a single year and multiyear options of up to a maximum of 7 years for your consideration. Please let me know if you would like to receive quotes for run off cover. If your decision is to continue with the cancellation of this policy, please confirm by return email as we require your written instruction before actioning the cancellation.

I am temporarily shutting down my business and need to cancel my insurance?

It is important to remember this is a “claims made” policy. A ‘claims made’ policy requires the cover to be active at the time you become aware of a claim or a potential claim for indemnity to be granted. Any claim or potential claim you become aware of after the policy has been cancelled will not be covered, this includes any claims arising from services provided whilst you held a policy.

For this reason, we strongly recommend you maintain ongoing insurance to protect your business. If your decision is to continue with the cancellation of this policy, please confirm by return email as we require your written instruction before actioning the cancellation.

Contact your Adroit Insurance Risk Adviser

- To assist with any queries, you have regarding your insurance policies

