

In this week's Insurance Bulletin:

1. REGULATION AND LEGISLATION

FCA releases expectations of insurance firms during COVID-19 pandemic

At this difficult time, we would like to send our very best wishes to all our clients and contacts. We hope you and your families and friends stay safe and well.

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“As a result of working from home, the FCA has said that many people will be changing the locations from which they carry out certain activities and at which they keep certain items.”

1. REGULATION AND LEGISLATION

UK: FCA releases expectations of insurance firms during COVID-19 pandemic

On March 19 2020, the FCA published its expectations of insurance firms during the pandemic. In addition to emphasising general obligations of firms, the FCA has also published product-specific expectations on products most likely to impact consumers.

The FCA expects firms to:

- Have sufficiently robust systems and controls to continue to operate effectively in a stressed situation with business continuity plans to manage this.
- Have a Senior Manager responsible for business continuity and for managing the impact of COVID-19.
- Act fairly, honestly and professionally in accordance with the best interests of customers.
- Ensure that all customer communications are clear, fair and not misleading.

These are not surprising and (other than designating a Senior Manager to manage the impact of COVID-19) should not require substantive, if any, practical changes. In addition to the above general requirements, the FCA set out product-specific expectations:

Travel

For existing customers with policies that are impacted by COVID-19 (for example, future travel booked before the outbreak), the FCA expects firms to communicate clearly to their existing customers any policy exclusions that result from COVID-19.

Where a consumer has bought annual travel insurance to cover the risk of cancellation or curtailment prior to when the COVID-19 situation escalated, in these circumstances, the terms of the current policy may allow for a pay-out when the event causing the cancellation or curtailment occurs. If the claim arises after the renewal date, the FCA expects insurers to treat customers fairly, taking individual circumstances into account, e.g. by renewing or considering claims under the terms of the original policy for these travel arrangements.

Motor & Home

As a result of working from home, the FCA has said that many people will be changing the locations from which they carry out certain activities and at which they keep certain items. The FCA expects motor and home insurers not to reject claims simply because of a consumer's temporary change in how they use their vehicle and their home address, in response to Government advice and the emerging COVID-19 situation.

The full publications can be found here: <https://www.fca.org.uk/firms/insurance-and-coronavirus-our-expectations>

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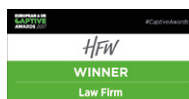
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We are working with clients across our international network to help them minimise the impact of COVID-19 on their business – and to prepare for what's next. To find out more, visit our dedicated COVID-19 hub - <https://www.hfw.com/Covid-19>



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