

Policy Updates applying to Boshers Holiday Home Insurance Policy Effective for New Business and Renewals from 1st September 2020

Important – Updates to your policy wording

Please note we have made changes to your policy. In this notice, we explain these changes and the reason for them.

Before renewing your policy please make sure that the cover provided meets your needs.

By continuing to insure with us you accept these changes and they will form part of your policy on renewal.

If we have made further changes to your policy there may be other notices that apply, please read these in addition.

We recommend that you keep this notice with your schedule and policy booklet.

Summary of changes

Our update reference: Infectious and Communicable Diseases/Specified Disease

1. **Infectious and communicable diseases exclusion.**

The fundamental concept of general insurance is to collect the premiums of the many in order to pay the claims of the few. As such, the general insurance market is not designed to cover pandemics.

In the same way that you buy insurance, the insurance companies purchase reinsurance to reduce the scale of risk carried, both from large single events (such as fires) and from the impact of numerous claims arising from the same cause and aggregating up to larger total losses (such as from storms or floods). Reinsurance spreads such risks more widely in the insurance market to provide stability and to ensure insurers more easily meet the financial standards imposed by regulators, whilst keeping customers premiums as low as possible.

Following the recent Covid-19 outbreak the reinsurance market has begun to introduce explicit exclusions for pandemics, epidemics and other similar events into the reinsurance agreements they have with insurers to state expressly and emphasise that such events are not covered by reinsurance.

For this reason, we need to mirror such exclusions in your policy to reaffirm that it does not provide any cover for any infectious or communicable diseases, pandemics or epidemics. As noted above, insurance has never been intended to cover such events. Ecclesiastical's policies do not provide cover for losses arising from the occurrence of a pandemic and your current premium has never included any charge for such cover.

Please note that the exclusion only applies to certain applicable sections of the policy and does not apply where the exclusion is not required. Please see the clause for specific details.

2. **Specified diseases (and murder, food poisoning, defective sanitation & vermin)**
The business interruption cover available under your policy is set out in the business interruption section of the policy (which may be titled business interruption, loss of income, consequential loss or rental income, or similar). This section typically contains an extension that provides cover for loss resulting from interruption of or interference with the business carried on at the insured premises as a result of an occurrence of an event at the premises, such as for murder, food poisoning, defective sanitation, vermin and specified diseases (normally limited to only those diseases listed in the policy). Most pandemic or epidemic diseases (including Covid-19) were already not covered by your policy. Following the reinsurance market's introduction of infectious and communicable diseases exclusions, we can no longer provide cover for specified diseases of any sort. If you have this specified diseases extension, we have now removed it, whilst retaining covers related to an occurrence of murder, food poisoning, defective sanitation and vermin at the premises.

Policy update clauses that will apply:

CC230 Infectious or Communicable Disease Exclusion

Definition applicable to this exclusion

Infectious or Communicable Disease means any disease pandemic or epidemic including but not limited to any

- virus
- bacterium
- parasite
- other organism or infectious matter
- any mutation or variation to any of the above

whether

- living or dead
- natural or artificial
- officially declared an epidemic or pandemic or not

transmitted by any direct or indirect means (whether asymptomatic or not)

This policy does not cover loss damage liability cost expense or any other sum of whatsoever nature directly or indirectly caused by resulting from arising out of or related to or contributed to by

- 1) any ***Infectious or Communicable Disease*** including but not limited to
 - a. the fear of a threat (whether actual or perceived) from an ***Infectious or Communicable Disease***

- b. contamination or fear of contamination (whether actual or perceived) of property by an ***Infectious or Communicable Disease***

but this shall not exclude direct physical loss or physical damage to insured property at the ***Premises*** occurring during the Period of insurance resulting directly or indirectly from or caused by a peril otherwise insured by this policy

- 2) any action taken or failure to take action to prevent control or respond to any ***Infectious or Communicable Disease***

Provided that

- i. this exclusion applies regardless of any concurrent or contributory cause or event or occurrence in any sequence with any other cause or event
- ii. in the event of any conflict between this exclusion and any other provision of this policy this exclusion shall always apply and take precedence over any such other provision
- iii. where ***we*** apply this exclusion the burden of proving the contrary rests with the ***Insured***
- iv. this exclusion applies to all cover sections of this policy except those covers (where available and insured by this policy) noted below

- | | |
|--------------------------------------------------|-----------------------------------|
| a. Employers' Liability | g. Directors & Officers Liability |
| b. Public Liability | h. Personal Accident |
| c. Medical Malpractice | i. Legal expenses |
| d. Reputational Risks | j. Travel |
| e. Professional Indemnity | k. Terrorism |
| f. Governors' Trustees' and Management Liability | |

CC239 Food Poisoning defective sanitation vermin or murder or suicide extension

Business Interruption - Removal of Specified diseases cover - applicable to any section of the policy covering business interruption loss of income loss of revenue consequential loss or rental income

Any extension that provides cover for specified diseases murder suicide food poisoning defective sanitation & vermin is deleted and replaced with the following

Food poisoning defective sanitation vermin murder or suicide extension

The prevention or restriction of access to or closure of the ***Premises*** on the order or advice of the Police Environmental Health or other similar enforcement agency as a direct consequence of

- a. any injury or illness sustained by any person arising from or traceable to food or drink poisoning which is directly traceable to food or drink provided at the ***Premises***
- b. any accident causing defects in drains or other sanitary arrangements at the ***Premises***

- c. any discovery of vermin at the **Premises**
- d. murder rape or suicide at the **Premises**

Provided that

- i. **We** shall only be liable for the loss arising at premises **you** occupy and which are directly affected by the occurrence discovery or accident
- ii. Extensions which deem **Damage** at other locations to be **Damage** at the **Premises** shall not apply to this cover

Excluding any costs incurred in the cleaning repair replacement recall or checking of property

Limit

Our liability under this extension in respect of any one occurrence discovery or accident shall not exceed the lesser of £250,000 or 25% of

- a. the sum insured by the items or
- b. the limit of **Our** liability by the items if the declaration-linked basis applies

The maximum indemnity period for this extension will not exceed three months beginning from the date on which the restrictions on the **Premises** are applied