



# COVID-19 & YOUR BUSINESS INSURANCE

## FAQ

With the quickly-evolving business environment during the COVID-19 crisis, we recognize you are facing new challenges and have questions about your insurance program. This Frequently Asked Questions document will help answer some of your questions. We encourage you to connect with your Account Executive.

### **CAN I CANCEL MY INSURANCE?**

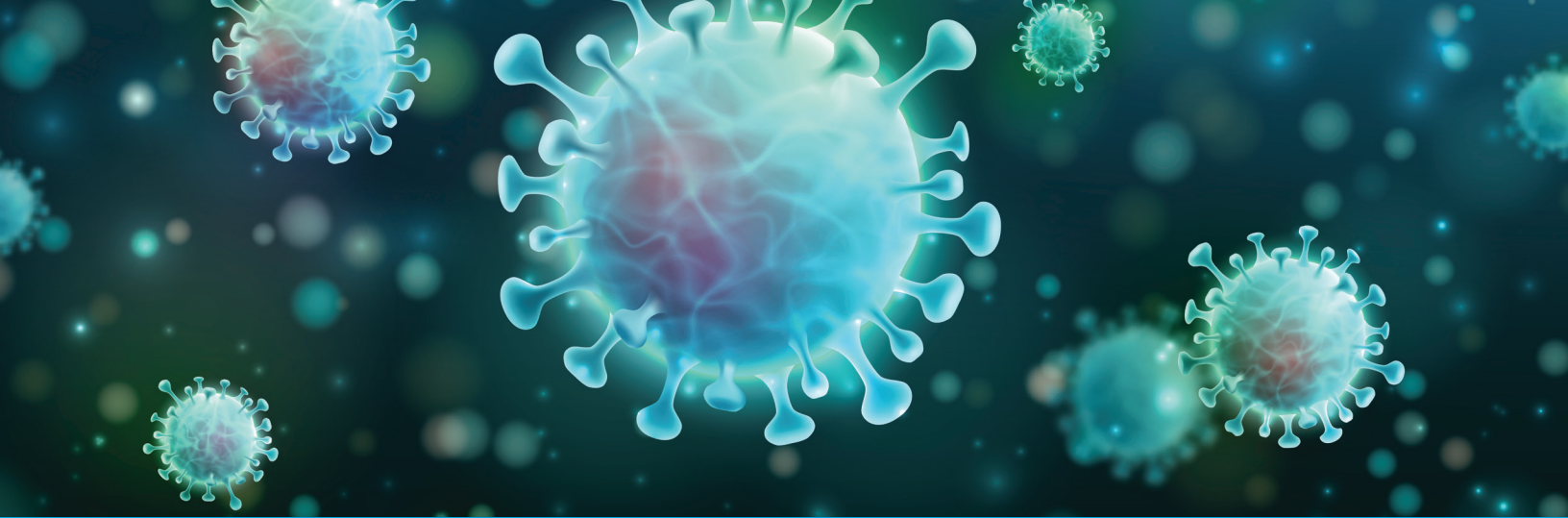
Yes, insurance can be canceled at any time. Premiums paid would be refunded for the remaining policy term. Each policy wording is subject to its own cancellation terms, but your Account Executive can outline all cancellation provisions and guide you on this process.

*It is important to be sensitive to Contractual Agreements and Loan Commitments. Your business may continue to have exposures for which insurance might continue to be important. Before you decide to cancel your insurance, we encourage you to speak with your Account Executive to make sure you are aware of potential exposures.*

### **CAN WE GET RELIEF ON PAYING INSURANCE PREMIUMS IN THE SHORT-TERM?**

The decision to allow a deferral of premium payment is made by the insurance company. Unfortunately, insurers have not been consistent regarding offering premium payment deferral options. Some insurers have said they will attempt to work with clients by pushing out payment deadlines for one or two weeks only. Other insurers are maintaining payment requirements. Insurance companies, unlike other financial institutions, do not have collateral or assets they can attach to, which makes requests for premium payment deferral difficult for them to manage. We continue to advocate on behalf of our clients for flexibility with payment terms.

*We can offer premium payment plans. Monthly premium payments plans have become very popular. We can look at options direct from the insurance company or we work with specialized premium finance companies. Finance programs are subject to interest or finance fees which vary with the amount financed and the payments can be structured over 9 – 12 months.*



## HOW CAN I SAVE MONEY ON MY INSURANCE PROGRAM DURING THIS CRISIS?

Premium-saving opportunities are going to be specific to each insurance policy. Amending coverage limits, deleting coverages, changing the type of coverage from “operating” to a “parked or idle” status are all options to review when looking at your operations and assets. There are several factors to consider when looking at amending coverages:

Do you have any contractual obligations that include insurance provisions on your buildings, equipment or stock? Mortgages, loans and leases typically have insurance obligations that must be met. Before coverage is amended it is important to review the contract terms. Changes to the insurance program may require changes to the lending terms.

Vehicle leases and financing programs commonly have specific coverage requirements. Prior to parking units that are not being driven and deleting liability or collision coverage, make sure the lender consents to removing the coverage. Also, it is important to ensure these units are not parked or sitting idle on government roads.

Tenants in leased or rented space likely have a lease agreement in place with the landlord. The lease will contain insurance provisions for the tenant. It is important to review your lease obligations and seek approval from the landlord prior to making any changes.

ISNET World, Comply Works or other contractual or job specific insurance requirements — have you agreed to have insurance in place for specific clients or jobs? Will customers or vendors require specific coverages before you can attend a job site or ship your product?

Franchise agreements have specific clauses requiring insurance to be in place. Any changes to your insurance typically need to be approved by the Franchisor.

If you have Certificates of Insurance issued to customers that require these for their own contractual obligations, please be mindful that these Certificates typically have a 30-days’ notice clause related to making any material changes.

These FAQs are generalizations, and not meant to be definitive to every situation. Your needs are unique and should be discussed in detail with your Account Executive.

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