COVID-19 and business interruption

In the event that Covid-19 affects the financial position of your business, your insurance policy may provide relief under a claim for a business interruption. As the novel Covid-19 pandemic evolves, the financial impact on business is uncertain. Despite the efforts from governments to support businesses through means of stimulus packages, companies will seek indemnity from insurances for financial losses sustained.

The purpose of insurance is to reduce your business’ exposure to the effects of particular risks such as a pandemic which has brought global economies to a halt. Whilst a pandemic may not fulfil the property damage proviso of a standard business interruption policy, which would typically respond to perils such as fires, floods, there may be provisions within the cover for non-damage extensions including notifiable disease, contamination, loss of attraction, cancellation of events, public authorities clause, provided that these are not otherwise excluded from the insurance program.

Since no one business interruption policy is the same, each claim will be assessed on its own merits.

How Accuracy can help

Accuracy specialises in the quantification of financial damages in the context of insurance claims on behalf of the policyholder. In the event that our clients have a rightful claim for business interruption, Accuracy can provide specialist forensic accounting and insurance expertise in the quantification of financial losses sustained due to the reduction in turnover resulting from the suspension of operations, whether wholly or partially. Our consultants will:

• calculate an order of magnitude of the claim to ensure an adequate reserve is set by the Insurers;
• prepare the claim quantification, primarily the assessment of a loss of gross profit and the additional expenditure incurred to mitigate the financial loss;
• establish the correct interpretation of the policy to ensure full coverage is optimised;
• manage all data requests and communications with the loss adjusters and insurers appointed forensic accountants;
• collate all supporting financial data required to substantiate the claim;
• compile a final claim submission under the correct heads of claim for presentation to insurers; and
• provide support and guidance in claim negotiations and settlement discussions with insurers.

We act as independent experts and work seamlessly with our clients to facilitate an efficient claims process and an equitable claim settlement allowing our clients to focus on the reinstatement of their business. Many policies have the benefit of having the cost of our services covered under the Claims Preparation extension in the policy.

About Accuracy

Accuracy is a wholly independent international consulting firm providing advice to company management and shareholders for their strategic or critical decisions, notably in transactions, disputes and crises.

Accuracy’s strength is to connect strategy, facts and figures. Accuracy’s teams are international and multicultural, combining various skills to provide bespoke services to our clients. We recruit consultants from the best.

Accuracy is present in 13 countries in Europe, North America, Asia, Middle East and Africa and leads engagements all over the world.

All Accuracy Partners are available to discuss your needs and design an appropriate solution with the relevant experts.