



**AIDA COVID-19 UPDATE – INSURANCE IMPACT IN VARIOUS COUNTRIES**

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# Covid-19

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**11 MAY 2020 (cumulative from March 2020)**


**Summary of Contributions (27 countries/territories)**



	<b>COUNTRY</b>	<b>CONTRIBUTORS/ AUTHORS</b>	<b>CONTRIBUTION/ LATEST ADDITION</b>	<b>PAGE</b>
1.	Argentina	Carlos Estebenet	Summarised comments/updated 4.5.20	4
2.	Australia	Chris Rodd	Short prepared report 31.3.20	5
3.	Austria	Prof. Dr Stefan Perner/ Prof. Dr Pierpaolo Marano	Summarised comments/updated report /6.4.20	6
4.	Bolivia	Dr Maria Sandra Ramírez Bernal/ Dr Hector Ponce de Leon	Summarised comments 18.4.20	6
5.	Brazil	Dr Luís Felipe Pellon	Prepared report 28.4.20	9
6.	Chile	Ricardo Peralta	Summarised comments 1.4.20	9
7.	Denmark	Torben Bondrop	Prepared report 7.4.20	10
8.	EU	Prof. Dr Pierpaolo Marano	Referenced reports/ 28.4.20	10
9.	Finland	Taisto Hujala	Referenced report 1.4.20	11
10.	France	Prof. Jerome Kullmann	Summarised comments 1.4.20	11
11.	Germany	Prof. Dr Manfred Wandt	Summarised comments 1.4.20	12
12.	Greece	Dr Kyriaki Noussia/ Prof. Dr Ioannis Rokas	Prepared papers/ 7.5.20	13
13.	Hungary	Dr Ferenc Kiss	Summarised comments 9.4.20	14
14.	Israel	Peggy Sharon	Prepared paper 30.3.20	15
15.	Italy	Prof. Sara Landini	Summarised comments with links / 14.4.20	15
16.	Mexico	Yves Hayaux du Tilly	Prepared report 13.4.20	16

17.	New Zealand	Jonathan Scragg	Prepared reports / 6.5.20	16
18.	Peru	Alonso Nuñez del Prado Simons	Summarised comments 2.4.20	17
19.	Russia	Capitolina Tourbina	Prepared report 7.4.20	18
20.	Singapore	Asst Prof. Hwee Ying Yeo	Prepared report 11.4.20	18
21.	South Africa	Prof. Dr Birgit Kuschke	Summarised comments /16.4.20	18
22.	Spain	Jorge Angell; Prof. Dr Felix Benito Osma	Summarised comments 1.4.20	23
23.	Switzerland	Christian Felderer	Summarised comments with links / 15.4.20	24
24.	Turkey	Prof. Samim Unan/ Asst Prof. Ayşegül Buğra	Prepared paper 3.4.20	26
25.	UK	Tim Hardy; Yves Hayaux du Tilly	Summarised comments; referenced report/ 4.5.20	26
26.	Uruguay	Dr Andrea Signorino	Summarised comments 1.4.20	28
27.	USA	Richard Traub	Referenced report 28.4.20	30

## CONTENT OF CONTRIBUTIONS

	COUNTRY/ AUTHOR/S	CONTRIBUTION
1.	<p style="text-align: center;"><b>Argentina</b></p>  <p><b>Carlos Estebenet (4.5.20)</b></p> <p><b>Carlos Estebenet (3.4.20)</b></p>	<p><b>Further Covid-19 update posted on website pages of AIDA Argentina:</b>  <a href="http://www.aidaargentina.com/doctrina/la-situacion-de-la-pandemia-en-argentina">http://www.aidaargentina.com/doctrina/la-situacion-de-la-pandemia-en-argentina</a></p> <p>In Argentina the government ruled a general decree (according to constitutional duty) to set a "Preventive and compulsory social isolation" (<i>Aislamiento social preventivo y obligatorio</i>).</p> <p>The act has established the obligation to stay at home (usual residence) until 12 April. We expect the obligation shall be extended for more days.</p> <p>The regulation allows restricted movements to buy cleaning supplies, medicines and food.</p> <p>Additionally, the Administration admits exceptions in the event of essential activities and services or <i>force majeure</i>.</p> <p>The insurance market is not an exception, so every company operate by remote working.</p> <p>Similar situation is applicable for lawyers, thus law firms are running by remote working too.</p> <p>The Supreme Court has ruled non-working days until 12 April, except urgent cases.</p>



		<p>In respect of the economic and financial problems that the compulsory quarantine brought about, the Administration took important measures to alleviate the situation in the following matters:</p> <p>1) Mortgage loans; 2) Property rental; 3) Labour Law - ban dismissals for 60 days-; 4) Taxes: extending due dates; 5) Soft loans for certain companies.</p> <p>With regard to the insurance market for the time being I do not see significant changes in the contracts.</p> <p>The main international reinsurer operators in Argentina are respecting the original conditions of the cedants.</p> <p>We have to analyse the effect of the LMA 5393 that London Market issued last week.</p> <p>The Argentine supervisory body right now is inactive.</p> <p>Concerning insurance operations, I see the follow issues:</p> <p>1) Some problems in collection of premiums and the possible discontinuance of the coverage.</p> <p>2) In the context of the loss adjustments the insurers are suffering some delays due to the impossibility to carry out the process and comply deadlines</p> <p>3) The first conflicts that our firm are dealing with are in the context of Business interruption insurance policies</p>
2.	<p><b>Australia</b></p>  <p><b>Chris Rodd</b> <b>(31.3.20)</b></p>	<p><a href="#">See pdf Report _____</a></p>

<p>3.</p>	<p><b>Austria</b></p>  <p><b>Prof. Dr Stefan Perner (6.4.20)</b></p> <p><b>Prof. Dr Stefan Perner (2.4.20)</b></p> <p><b>Prof. Dr Pierpaolo Marano (2.4.20)</b></p>	<p>For a summary of the impact of Covid-19 in Austria – <a href="#">see pdf report</a>.</p> <p>No further information has been revealed so far. The mentioned Consumer Protection Association is a legal entity under private law (no official body). Rumour has it that the first cases came up in Ischgl in the beginning of February. It is assumed that we speak of Public Liability.</p> <p>Other developments in Austria concern Consumer Protection, Rental, Banking and Insurance Law (as well as restrictions in Public Law). However, the final documents (private law regulation) have still to be agreed upon; the Parliament will pass the legislation on 3.4.20. More information will follow.</p> <p>The <i>Verbraucherschutzverein</i>, an Austrian consumers' association, has filed a class action on behalf of 2,500 infected tourists against the governor of Tyrol and the government of Austria because the ski resort of Ischgl has remained open despite the virus, becoming one of the biggest outbreaks of infection in Europe.</p>
<p>4.</p>	<p><b>Bolivia</b></p>  <p><b>Sandra Ramirez with Hector Ponce de Leon (18.4.20)</b></p>	<p>Bolivia was one of the last countries to report confirmed cases of Covid19 in Latin America</p> <p>Upon the reporting of the first confirmed Covid19 cases, classes were suspended in all schools and universities.</p> <p>After partial restrictions were initially imposed, all airports and borders were finally closed.</p>



	<p>Tariffs were lifted for medical supplies and related equipment imports</p> <p>The hours during which the citizens may circulate were gradually restricted and finally limited to only 5 hours a day (morning hours).</p> <p>All kinds of public events and social gatherings were absolutely banned</p> <p>Ten days after the first confirmed case, total quarantine was set in and it has just been extended until the end of April.</p> <p>General presidential elections, scheduled for May (3), have been postponed for next June, with very little chance for them to be held in such date.</p> <p>Toll free lines were set up for advisory and assistance to the public.</p> <p>A national chain of medical centers was equipped and organized to act as a contention and treatment network for positive and critical cases</p> <p>During this quarantine, only the following will be allowed to circulate: medical staff, police and military officers, wholesale and retail employees of the food distribution chain, basic services (utilities) personnel, drugstores and banks employees.</p> <p>Quarantine camps are being set in places near the main border gates around the country. Several hundred people are already being kept and monitored in those camps.</p> <p>The general public may go out (leave their homes) only one day a week according to the termination of their ID number (last digit) and only during the morning (7 am till noon).</p>
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		<p>During the weekends no one is allowed to be out, except for medical emergencies services and expressly authorized staff.</p> <p>Certain locations (with multiple concentrated cases) and even small cities of over 100,000 people have been encapsulated (all roads closed and enforced by military troops) to avoid further spreading of the virus to surrounding areas.</p> <p>The city of Santa Cruz which is the main economic engine of the nation and home to around 1.5 million people, has been undertaken by the military forces to further ensure the strict observation and compliance of the restrictions issued by the national government.</p> <p>Thanks to these stiff measures, the spreading of the virus (number of cases) has been relatively low, which is critical given the precarious health system of the country (quite insufficient to address a large number of simultaneous positive cases)</p> <p>Additionally, the government has issued some legal and economic measures, aimed to mitigate the social and economic impact of the current crisis (see below).</p> <p>All sorts of administrative due dates are left in suspense until after the quarantine period ends.</p> <p>Tenants will have a 50% discount on their rent payments until after the quarantine period ends.</p> <p>Cash bonuses aimed to help especially vulnerable sectors of the population, basically for the purpose of sustaining the basic needs in terms of nutrition and health.</p> <p>A moratorium period for outstanding loans with the banking system was enacted to be reassumed from next June. This extension will also apply to life insurance premiums related to mortgage payments.</p> <p>Taxes dues have also been extended without penalties and shall be reprogrammed to restart from next May.</p>
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5.	<p><b>Brazil</b></p>  <p><b>Luís Felipe Pellon</b> <b>(28.4.20)</b></p>	<p>Brazilian Report on Covid-19 – <a href="#">pdf report.</a></p>
6.	<p><b>Chile</b></p>  <p><b>Ricardo Peralta</b> <b>(1.4.20)</b></p>	<p>Situation in Chile changes by the day, not only statistically, which is worse by the hour, but the general situation of the Country is most uncertain, mainly because nobody knows the size of the negative impact in the economy, and how long it will take to recover.</p> <p>Urgent new legislation has been approved to minimize the impact in employment, establishing new rules for the so called “telework”, and some tax benefits (postponements really) for employers and individual, for instance motor tax is due at 31<sup>st</sup> of March every year</p>



		<p>and it has been postponed.</p> <p>Banks are acting in the same way, but not in a unique manner, before its customers. The insurance industry unfortunately is not performing in a way of which we should feel proud. Compulsory Personal Accident Insurance for vehicles, that has a standard industry period that goes from 31<sup>st</sup> of March every year, has not been given an extra period of coverage.</p> <p>Life Insurers have been more proactive by declaring that Pandemic Exclusion, will not apply to Covid 19.</p> <p>Nevertheless, this is “Developing News”.</p> <p>Regarding the measures taken by the authorities, I share the view that may be is the same around the world, “too little, too late”, but some 1.000.000 of people are under preventive quarantine, like myself, working from home.</p>
7.	<p><b>Denmark</b></p>  <p><b>Torben Bondrop</b> (7.4.20)</p>	<p>For a comprehensive overview prepared by Plesner of all the corona-related measures undertaken in Denmark – <a href="#">see Excel report</a>.</p>
8.	<p><b>EU</b></p>  <p><b>Prof. Dr Pierpaolo Marano</b> (28.4.20)</p>	<p>An updated list of measures and guidance on Covid-19 and the insurance sector at the EU level.</p> <p><a href="https://www.eiopa.europa.eu/browse/covid-19-measures_en">https://www.eiopa.europa.eu/browse/covid-19-measures_en</a></p>



	<p><b>Prof. Dr Pierpaolo Marano (1.4.20)</b></p>	<p>Link to the website of EIOPA that published today:</p> <ul style="list-style-type: none"> <li>• A statement on actions to mitigate the impact of Coronavirus/COVID-19 on the EU insurance sector; and</li> <li>• Recommendations on supervisory flexibility regarding deadlines of supervisory reporting and public disclosure by insurers</li> </ul> <p><a href="https://www.eiopa.europa.eu/content/call-action-insurers-and-intermediaries-mitigate-impact-coronaviruscovid-19-consumers_en">https://www.eiopa.europa.eu/content/call-action-insurers-and-intermediaries-mitigate-impact-coronaviruscovid-19-consumers_en</a></p>
9.	<p><b>Finland</b></p>  <p><b>Taisto Hujala (1.4.20)</b></p>	<p>One instruction supplied from the Finnish Government concerning Corona problems – <a href="#">[link]</a></p> <p>In Finland we have today 1446 cases, 159 patients in hospitals, in emergency care 62 people and 17 deaths.</p> <p>The numbers are not heavily increasing and we have a strong feeling that restrictions concerning gathering, travelling and moving in general is helping.</p>
10.	<p><b>France</b></p>  <p><b>Prof. Jerome Kullmann (1.4.20)</b></p>	<p><b>23 March 2020:</b> Law called « Emergency Plans to fight Covid 19 Epidemic»: allows the French government to issue rules (“Ordonnances”) which normally, ought to be created by the Parliament</p> <p><b>25 March 2020:</b> 15 “Ordonnances”. One is dedicated to extensions of time limits set by the law (and not by the contract itself): the deadline is postponed (something like 2 months after the end of the current state of health emergency: it means that today, nobody knows the new deadline). Insurance contracts are directly and deeply affected: French Insurance Code set many compulsory deadlines (examples: declaration of the loss; payments by the insurer for some insurance contracts:</p>

		<p>construction, life, motor car liability; prescription; termination of the contract; expertises etc.).</p> <p><b>26 March 2020:</b> Ministry of Justice issues a “Circulaire” (administrative information, not compulsory, but often followed by the judge) which is just crazy: it goes beyond the Law and the “Ordonnance”.</p> <p>One of the many issues for insurance: Unit-linked Life insurance contract: the insured is entitled to cancel (right of renunciation) the contract during a 30 days period after the conclusion. As the sanitary crisis has caused a market collapse, it means that the insured can wait until July (?) to decide to cancel... or not. Financial losses will be borne by the insurer.</p> <p>Something else: one week ago, French government “asked” French Banks not to pay annual dividends to shareholders (it is not strictly mandatory, but highly recommended...). Today, 1 April, collapse of the share value of the Banks which have accepted not to pay annual dividends. And again, for unit linked life insurance contracts: collapse of the value of this life insurance contract when the units are shares issued by these banks... Thus, a long period for insured to decide to cancel that kind of contract, and so on.</p> <p>One of the main legal problems: is it necessary, for the one who wants to apply the “Ordonnances” for its profits, to prove a causal relation between the Covid 19 (or the confinement) and the fact that, personally, he needs the legal postponement of the deadline ?</p> <p>Remember: all these new rules are justified only by the “Emergency Plans to fight Covid 19 Epidemic”</p>
11.	<p><b>Germany</b></p>  <p><b>Prof. Dr Manfred Wandt (1.4.20)</b></p>	<p><b>Concerning company law:</b></p> <p>Covid-19-Act allows virtual/digital annual general meetings another Act concerning suspension of insolvency filing</p> <p><b>Concerning insurance supervisory law:</b></p> <p>On 20 March 2020, EIOPA published its Recommendations on supervisory flexibility regarding the deadline of supervisory reporting and public disclosure – Coronavirus/COVID-19. BaFin, having been closely involved in preparing the document, endorses these recommendations.</p>


		<p>BaFin, the German Federal Financial Supervisory Authority announced that it will be giving priority to new requests in the framework of Solvency II for application of the transitional measures on the valuation of technical provisions (transitional measure on technical provisions, transitional measure on risk-free interest rates) and/or the volatility adjustment, considering such requests. If required, approval can be granted with retroactive effect from 31 March 2020.</p> <p><b>Concerning contract law:</b></p> <p>Act to mitigate the consequences of the COVID 19 pandemic in civil, bankruptcy and criminal procedural law (Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie im Zivil-, Insolvenz- und Strafverfahrensrecht G. v. 27.03.2020 BGBl. I S. 569 (Nr. 14); Geltung ab 28.03.2020):</p> <p>A consumer has the right not to perform until June 30, 2020 to meet a claim related to a consumer contract that is a continuing debt relationship that was closed prior to March 8, 2020 if, due to circumstances, which are due to the spread of infections with the SARS-CoV-2 virus (COVID-19 pandemic), the provision of the service would not be possible without endangering his reasonable livelihood or the fair livelihood of his dependents. The right to refuse performance exists in relation to all material long-term obligations. Significant long-term obligations are those that are necessary to cover with services of adequate general interest.</p> <p>There is no special new legislation on insurance contracts.</p> <p>In the market as in other countries there are disputes about the wordings of policies on company closure due to infections.</p>
12.	<p><b>Greece</b></p>  <p><b>Prof. Dr Ioannis Rokas (7.5.20)</b></p>	<p><b>Paper: Covid-19 &amp; Insurance in Greece (7 pages) <a href="#">[link]</a></b></p>




	<p>Dr Kyriaki Noussia/ Prof. Dr Ioannis Rokas (2.4.20)</p>	<p>Paper: Covid-19 &amp; Insurance in Greece (3 pages) <a href="#">[view]</a></p>
13.	<p>Hungary</p>  <p>Dr Ferenc Kiss (9.4.20)</p>	<p>Concerning the virus and the legal situation in Hungary, especially in the field of insurance, no substantial developments are to be reported.</p> <p>The Association of Insurance Companies and the Association of Insurance Intermediaries have proposed detailed measures to the legislature to ease the distance selling, identification, the burden sharing of common expenditure etc. in the insurance business in Hungary.</p> <p>There are no changes in contract and in insurance or in tort law. While the payment of instalments of bank loans is suspended or postponed, no concessions have been made regarding the obligation to pay the insurance premium yet.</p> <p>There are no insurance implications of the coronavirus pandemic and no losses out of quarantine as it does not constitute an insurance event in most wordings.</p> <p>Under insurance supervision law, insurers and intermediaries are warned and advised to fulfill their obligations towards the consumers, namely to inform them in a fair manner under the present harsh circumstances, ensure their fair and transparent treatment in all communications, share details of the emergency measures passed, take the consumers' interests into consideration and where it is sensible and feasible, offer them flexibility. Keep maintaining their product control and quality management procedures and carry out product assessments if and when required</p> <p>The government is empowered by Parliament to introduce extraordinary measures for an indefinite period, as long as there is the danger of pandemia; e.g. rules of Civil procedure have</p>

		<p>been changed and simplified. In certain cases, decisions can be made in written form only, without trials held. If holding the trial is necessary, it should happen in the form of a video conference.</p>
14.	<p><b>Israel</b></p>  <p><b>Peggy Sharon</b> <b>(30.3.20)</b></p>	<p><b>Paper: Covid-19 - Insurance Litigation Current and Expected Trends in Israel (5 pages) <a href="#">[link]</a></b></p>
15.	<p><b>Italy</b></p>  <p><b>Prof. Sara Landini</b> <b>(14.4.20)</b></p> <p><b>Prof. Sara Landini</b> <b>(31.3.20)</b></p>	<p>The Italian government introduces (art. 15 of Law Decree 23/2020) the application of “golden powers of the Government” also to the credit and insurance sector where there are companies that may be attractive to international players during and after the emergency period. According to the Italian Law Decree n. 21 of 2012 the State (in particular, the Government) can exercise special powers including the right to dictate specific conditions for the acquisition of equity investments and to oppose the purchase of equity investments.</p> <p>In Italy, the Government has adopted measures that have stopped a large part of production activities, also affecting the economy of insurance operators. The Italian companies have provided for the suspension, extension and extension of the premiums for life coverage, non-auto damage coverage and auto coverage, as well as the blocking of all debt recovery actions of the deductibles</p>

		<p>(see <a href="https://www.ania.it/-/emergenza-covid-19-compagnie-attive-da-subito">https://www.ania.it/-/emergenza-covid-19-compagnie-attive-da-subito</a>).</p> <p>To allow operators in the insurance market to cope with the inconveniences that arise from government measures to contain the contagion from COVID-19, IVASS (the insurance sector supervisory authority), in line with the initiatives recently taken by the European Insurance Authority (EIOPA) and the authorities, both European and national, which supervise the banking and financial sectors, has decided to grant delays to companies for compliance (see <a href="https://www.ivass.it/media/avviso/ulteriori-misure-covid/">https://www.ivass.it/media/avviso/ulteriori-misure-covid/</a>).</p> <p>Covid-19 also affected production and distribution. The offer of the companies tends increasingly to insurtech and digital and is now enriched with policies to deal with the risks from Covid-19, including: coverage for businesses in mandatory closure and for hospitalization cases.</p>
16.	<p><b>Mexico</b></p>  <p><b>Yves Hayaux du Tilly (13.4.20)</b></p>	<p>For the situation involving Covid-19 in Mexico – <a href="#">see PowerPoint report</a>.</p>
17.	<p><b>New Zealand</b></p>  <p><b>Jonathan Scragg (6.5.20)</b></p> <p><b>Jonathan Scragg (8.4.20)</b></p>	<p>For update upon the situation involving Covid-19 in New Zealand – <a href="#">see pdf report</a>.</p> <p>For the situation involving Covid-19 in New Zealand – <a href="#">see pdf report</a>.</p>



18.	<p style="text-align: center;"><b>Peru</b></p>  <p><b>Alonso Nuñez del Prado Simons (2.4.20)</b></p>	<p>In Peru, the government declared a state of emergency for 15 days and extended it to complete 4 weeks ending on April 12, forcing the population to stay home, except for some sectors considered essential, including insurance.</p> <p>Although insurers initially kept their offices open over the days, they have opted for remote work from home. Most of them have announced that they will not apply the pandemic exclusion to health and life insurance.</p> <p>Since the informal sector in Peru constitutes a large percentage of the economy, the government has ordered the payment of a small bond to support them.</p> <p>The Government asked for extraordinary powers to legislate in various aspects during the current state and Congress has granted it. A large number of emergency laws have been issued.</p> <p>The Superintendency of Banking, Insurance and Pensions has suspended the deadlines for the delivery of information and the settlement of claims.</p> <p>The payment of taxes has been delayed, as well as the payment of essential services. Banks are giving facilities to their clients. The Central Bank and the Ministry of Economy are coordinating to give aid to small and medium-sized companies.</p>
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19.	<p>Russia</p>  <p>Capitolina Tourbina (7.4.20)</p>	<p>Brief information about the impact of Covid-19 upon the Russian insurance market – <a href="#">see pdf report</a>.</p>
20.	<p>Singapore</p>  <p>Asst Prof. Hwee Ying Yeo (11.4.20)</p>	<p>For the situation involving Covid-19 in Singapore – <a href="#">see pdf report</a>.</p>
21.	<p>South Africa</p>  <p>Prof. Dr Birgit Kuschke (16.4.20)</p>	<p><b>Position in South Africa (8 April 2020) (©Truter C, Bowman’s Attorneys 2020)</b></p> <p><b>Financial Services Sector</b></p> <p>The Regulations establish the parameters of essential financial services. The Financial Services Conduct Authority (FSCA) has also published a communication acknowledging the impact of the COVID-19 global pandemic on financial institutions and their customers and outlining its key expectations regarding the</p>


		<p>culture and responsibilities of financial institutions (including insurers, banks, financial services providers, retirement funds, retirement fund benefit administrators and collective investment scheme managers) during the crisis.</p> <p>In general tax relief has been provided on numerous levels. Deadlines have been extended and legislation to be enacted.</p> <p>The FSCA emphasised that ‘regulated entities should bear in mind the current circumstances and assist their customers with even more empathy, flexibility and understanding during these difficult times’. Specific obligations were placed on insurers, banks, advisors and intermediary services providers, investment managers, boards of management of retirement funds and retirement fund benefit administrators. These are in brief the following:</p> <p><b>Insurance</b></p> <p>South African companies as well as any of their African subsidiaries (regardless of whether the African subsidiary participates under a group insurance policy), need to evaluate whether the insurance cover they have in place relating to their business covers losses related to COVID-19. It is likely that businesses will not have any insurance covers under business interruption insurance, public, employment or directors and officers liability. In addition where a company has provided its employees access to a group policy, a death due to COVID-19 could be excluded.</p> <p>The Financial Services Conduct Authority has stipulated that any new products must follow the prescribed process as stated in the Policyholder Protection Rules (PPRs 2018). Claims assessments will be impacted by COVID-19, but delays must be avoided and communicated to customers.</p> <p>Exclusions impacted by COVID-19 must be clearly communicated to current and new policyholders, new exclusions must be discussed with the regulator, assessments must be made safe, medical requirements must be reassessed to avoid stress on the Health Care System and no additional costs or fees should be passed onto the policyholder during this period.</p> <p>On renewals, any changes to policies due to the impact of the COVID-19 should be highlighted to the policyholder and additional premium reviews must be communicated to the FSCA with the impact on the policyholder.</p>
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		<p><b>Banking</b></p> <p>South African banks have moved quickly to implement wide-ranging debt-relief measures to, wherever possible, assist customers who are experiencing financial difficulties due to the COVID-19 pandemic and national lockdown. Customers are urged to continue to meet their banking and financial services obligations as best they can. This will help banks assist as many customers in need as possible and is important for the safety and soundness of the financial sector and the economy at large. Customers should not contribute to triggering a financial crisis and banks are working with the regulators to ensure the continued stability of the financial system.</p> <p>The intention of these remedies is to ease the immediate financial demands of customers, especially those who are most vulnerable and small businesses. Customers in good standing, who cannot meet their credit agreement payments in the short-term, as a result of the COVID-19 pandemic, should contact their banks to access these relief measures. This can be done through banks call centres, email, smartphone applications and online banking facilities, among others.</p> <p>A customer is considered to be in good standing if they are up to date with their payments and have a good track record of paying their debts on time. Remedies offered by the banks for those in financial distress may include:</p> <ul style="list-style-type: none"><li>- Assistance with processing credit life insurance claims. Credit life insurance policies differ, so the terms of each policy are important. However, they may cover outstanding debt in the event of death, disability or retrenchment or if the company where the customer's is employed goes out of business. Where a customer has credit insurance, their best option may be to lodge a claim. Banks are communicating with their customers that have credit life insurance policies with the bank and will, as far as possible, assist in processing the claim.</li><li>- Instalment reductions for an appropriate period. Interest and fees on the loan will still accumulate and will have to be paid by the customer. This may result in an extension of the term of the loan and could incur higher costs.</li><li>- A payment break or 'payment holiday'. Interest and fees on the loan will still accumulate and will have to be paid by the customer. This may result in an extension of the term of the loan and could incur higher costs. Some banks are already offering their customers payment breaks from between one to three months, subject to their credit risk guidelines. Customers considering a payment break should contact their bank to see if it is a facility on offer.</li></ul>
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		<ul style="list-style-type: none"> <li>- The COVID-19 relief measure also applies to Shari’ah compliant financial services and products. Customers who are uncertain as to what relief is available for Shari’ah compliant products, are urged to contact their bank.</li>   <li>- Banks will also help qualifying customers to access other debt relief packages, like the South African Future Trust fund and government’s small and medium enterprise relief schemes.</li>   <li>- For customers in debt review and small, medium and micro-enterprises in business rescue: <ul style="list-style-type: none"> <li>(i) Customers who are already in debt review must contact their debt counsellor who will then facilitate a new repayment proposal for their bank. Banks will apply leniency if the customer is paying less than previously agreed.</li> <li>(ii) Small, medium and micro-enterprises, which are already in business rescue, must contact their Business Rescue Practitioner (BRP). Banks will deal with these small businesses on a case-by-case basis.</li> </ul> </li>   <li>- Banks understand that the COVID-19 pandemic lockdown has increased the financial stress of many of their customers through no fault of their own. However, banks are tightly regulated as they hold in trust the salaries and savings of South Africa’s workers, professionals and businesses. Our customers are both depositors and borrowers. Deposits extended as loans must be recovered to allow banks to repay, with interest, customers who expect their money on demand. The relief measures granted by banks therefore do not envisage any debt write-off, but rather leniency in terms of the repayment of loans.</li>   <li>- The Banking Association South Africa’s (BASA) members provide accounts for over three million SA Social Security Agency (SASSA) beneficiaries. Banks, excluding the South African Post Office, have close to 400 000 points of service. In just two days at the end of March 2020, transactions to the value of close to R5,4 billion were processed. Banks have waived the withdrawal fees for SASSA grant payments for the duration of the COVID-19 pandemic lockdown. Where beneficiaries were charged a withdrawal fee – because banks could not make the necessary changes to the system at short notice – the fee will be refunded by the banks as soon as possible.</li> </ul>
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	<p style="text-align: center;"><b>Prof. Dr Birgit Kuschke (6.4.20)</b></p>	<p>- To assist customers who want to access cash during the lockdown the banks have agreed to subsidise the cost of using the Saswitch network. Customers will not have to pay the network service cost for withdrawals at another bank's ATM.</p> <p>In South Africa we have been in lock-down since midnight 26 March 2020 for an initial period of 21 days. This might be extended depending on the statistics. To date we have just surpassed 1500 cases testing positive, yet a death toll of only 11, of which 10 had underlying conditions and were persons of a more advanced age (80+).</p> <p>The following legislation has come into operation: The Disaster Management Act 27 of 2002.</p> <p>It has amended a number of statutes and instituted a central emergency government. Ministers can issue legislative measures via Directives (Transport; Health; Social Security; Trade and Industry and the like).</p> <p>The <i>dies</i> for court actions, transfers of land and deceased and insolvent estates have been extended, yet courts do have the powers to hear urgent matters via Skype or Zoom where required.</p> <p>The government provides intervention packages in the form of for SME's (small and medium enterprises) and for financing near-term activities of smallholding farmers.</p> <p>Banks have postponed due dates for repayment of loans. The insurers are to follow suit, except for personal health and life insurance.</p> <p>The Rand (national currency) has fallen sharply to other currencies such as the USD and the Euro (currently it is at its lowest in 20 years).</p> <p>The African Development Bank Group has estimated that Covid-19 could cost the continent a gross domestic product loss of R 420 bn (US 210 bn).</p>
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		<p>On an individual level in the country: Persons must remain in their primary dwelling. Persons may not walk; cycle; run or take their dogs for a walk outside. Funerals are limited to a number of 50 persons and only take place upon the issuing of a permit.</p> <p>Single persons are allowed to buy food, necessary groceries and supplies and medicines. Only where a person requires assistance such as the elderly or disabled persons, may more than one person enter stores together.</p> <p>Social distancing is at all times to be at least 1 meter apart. The hands of all persons, as well as shopping baskets and trolleys are sanitised upon entry.</p> <p>Where more than one person is in a vehicle, all persons must wear masks and hand sanitizer applied during entry into the vehicle. No vehicle may carry more than 50% of the allotted number of occupants.</p> <p>Only persons delivering essential services are allowed to travel provided they have a permit. Schools and universities will continue online.</p> <p>All alcohol and cigarette sales have been banned during lockdown.</p>
22.	<p><b>Spain</b></p>  <p><b>Jorge Angell (1.4.20)</b></p>	<p>In a nutshell, the Spanish government has implemented the State of Emergency. This will expire on April 12, 2020. There are severe restrictions on movements of people. Only employees of essential businesses can go to work. The rest must stay at home with paid permits, although the time must be recovered after the state of emergency has ceased. Teleworkers are excluded from this permit.</p> <p>Among others, insurance companies have been classified as essential.</p> <p>In the matter of lawsuits, generally speaking, all court procedures, save some urgent cases, have been suspended pending the State of Emergency.</p> <p>In the matter of contractual and extracontractual actions, limitation terms (prescription) and expiry</p>

	<p><b>Prof. Dr Felix Benito Osma (1.4.20)</b></p>	<p>(caducity) have also been suspended pending the State of Emergency.</p> <p>Spain more than 20 days ago declared a state of alarm. Initially establishing general measures in principle based on the temporary suspension of terms of obligations and prescription of actions.</p> <p>The government has legally established economic, financial and consumer measures.</p> <p>All the law that have been passed so far will not alter the sector’s own regime, since they have an exceptional and temporary meaning.</p> <p>A specific example provided in the standard is in pension plans and retirement insurance.</p> <p>Entitlement reimbursement is allowed in pension plans and retirement insurance.</p> <p>Reimbursement is allowed for shareholders and insured persons in case of loss of income due to suspension of employment contract or cessation of business activity.</p> <p>The impact of COVID-19 will be general for the entire insurance sector and specific on existing insurance policies and in the various areas of life and non-life insurance.</p>
<p>23.</p>	<p><b>Switzerland</b></p>  <p><b>Christian Felderer (15.4.20)</b></p>	<p>In addition to the measures described in the base information it can be noted that the Swiss Financial Market Supervisory Authority (FINMA) as given further guidance in their Guidance Papers 03/2020 and 04/2020 – see following link:</p> <p><a href="https://www.finma.ch/en/documentation/finma-guidance/">https://www.finma.ch/en/documentation/finma-guidance/</a> - Guidance Paper 03/2020 provides explanations and guidance on, inter alia ,the following key topics related to Covid-19 impact: (i) the smoothing of yield curves in connection with the SST modelling as well as (ii) the extension of</p>



	<p><b>Christian Felderer (1.4.20)</b></p>	<p>reporting deadlines until 31 May 2020 for the companies' regular annual reporting to FINMA, the SST reporting and the filing of the Financial Condition Reports (CFRs). Guidance 04/2020 furthermore applies to institutions with a modelling approach to market risk. FINMA allows a temporary exemption for the back-testing of results in the model approach to market risk.</p> <p>There are furthermore, discussions regarding adjustments to certain economic and labor related measures implemented by the Federal Council, based upon experience made in the initial implementation phase. This concerns mainly the scope of entitlement to certain benefits under the short time labor scheme (Kurzarbeit) in particular in case of self-employment.</p> <p>Regarding the government intervention in case of foreign investments as stipulated under emergency law in Italy (Italian Law Decree n. 21 of 2012) there is no similar intervention, in light of Covid-19, by the Swiss Federal Government. However, there have been discussions held in parliament recently, prior to the arrival of Covid-19, that result in a motion to the Federal Council to propose draft legislation for a certain general investment control (i.e. a control not specifically addressing a particular industry sector).</p> <p>On the insurance side there is not currently any specific emergency legislation dealing with the Covid-19 situation. In particular, reporting deadlines for filing annual financial returns and solvency / ORSA reports remain on the ordinary timeline. Of course, manifold issues arise in conjunction with Covid-19 related insurance / coverage questions none of which thus far has led to any special governmental measures.</p> <p>There are of course numerous pieces of emergency legislation by the Swiss Federal Council dealing inter alia with health, labour and financial issues, such as providing simple bridge financing to businesses and access to short term labour insurance facilities for employers and employees to support the Swiss workplace. The below link to the Swiss Federal Council's webpage summarizes all details and is an important source of information these days.  <a href="https://www.admin.ch/gov/en/start.html">https://www.admin.ch/gov/en/start.html</a></p>
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		<p>On the banking side a lot of effort has been put into the creation of easy accessible liquidity, in particular for small and medium-sized business, affected most by the lock-down. FINMA comments as follows:</p> <p>« <i>The Swiss Financial Market Supervisory Authority FINMA expressly welcomes the Federal Government's package of measures, which was adopted today by the Federal Council. This provides for a rapid and unbureaucratic supply of liquidity to the real economy via the banks.</i></p> <p><i>In order to help maintain the current robustness of the Swiss financial institutions, FINMA calls on them to adopt a prudent distribution policy.</i></p> <p><i>Finally, FINMA is introducing the temporary exclusion of central bank reserves from the calculation of the leverage ratio. »</i></p>
24.	<p><b>Turkey</b></p>  <p>Prof. Samim Unan/ Asst Prof. Ayşegül Buğra (3.4.20)</p>	<p><b>Paper: Covid-19 &amp; Insurance in Turkey (4 pages) <a href="#">[link]</a></b></p>
25.	<p><b>UK</b></p>  <p>Tim Hardy (4.5.20)</p>	<p><b><u>Covid-19 update – UK:</u></b></p> <ul style="list-style-type: none"> <li>• <b>Covid-19 loss projection (UK/US):</b> Willis predict 9/11 claims being exceeded: ranging from \$11bn to \$32bn if distancing eased within 6 mths; \$80-140bn if up to a year with adverse scenarios.</li> <li>• <b>Business Interruption</b> - 200+ small companies in UK get litigation funding (instructing Mischcon de Reya) to sue Hiscox over exclusion reliance. Another group looking to sue RSA. Axa among others publicly defending denials of coverage. The Financial Conduct Authority (FCA) pursuing</li> </ul>

**Tim Hardy  
(2.4.20)**

from Court a declaratory judgment ruling over wordings and issuing notice of expectations to carriers: <https://www.fca.org.uk/firms/insurance-and-coronavirus-our-expectations>


- **ABI:** Has commented further on calls for a long-stop Govt-backed reinsurer of last resort for pandemic risk akin to Pool Re (presently holding reserves of \$12.5 bn) and Flood Re, as well as comments on other areas by class: <https://www.abi.org.uk/products-and-issues/topics-and-issues/coronavirus-hub/>
- **Motor:** Several companies bowing to public demand to offer rebates during lockdown.
- **FCA:** Conducting review of how contractual benefits cannot be provided during lockdown, nor insured events happen.

UK Government policy evolved through mid-March in response to the initial threat full long-term impact of these - or the virus itself – either upon the economy or upon sectors within it, including the insurance sector. Apart from sharing with other sectors the immediate adverse impact upon their financial reserves and investments, the insurance sector has naturally faced immediate scrutiny over the extent to which it will be exposed across all classes of coverage to major losses and/or would stand behind individuals and businesses directly impacted.


The most immediate areas being considered included: i) Are pandemic-related BI losses covered under a property insurance policy? ii) what liability issues arise following possible virus transmission? iii) what D&O responsibilities arise? iv) what health care/pharmaceutical co. responsibilities will arise? v) will medical costs relating to a pandemic be covered under a health insurance policy? vi) what travel insurance companies will respond to losses?

Initial responses have been to the effect that neither travel insurance, nor travel assistance insurance, will generally cover either epidemics or pandemics but only health issues of an insured (directly infected) or certain events directly disrupting individual's travel. Exclusions can apply if specified countries visited at certain times/governing circumstances. Travel insurers are still expecting to make record payouts to the tune of c. £275m.

Leading carriers have confirmed that while most will consider cases on a case by case basis, for the most part BI coverage in commercial property policies requires direct physical loss/damage (often missing) unless saved by express coverage where an authority prohibits access to property. Wordings have not customarily provided cover for a general class of notifiable disease. (Covid-19 was only identified as a notifiable disease in early March and did not retrospectively change existing policy

	<p><b>Yves Hayaux du Tilly (31.3.20)</b></p>	<p>coverage.) Where BI extends to infectious diseases they are listed by name. As few as 5% of BI covers are thought to have the necessary extension.</p> <p><b>UK Government/insurance market/regulator interface</b> The UK regulator, the Financial Conduct Authority has impressed upon the insurance market the need to “treat customers fairly”.</p> <p>Insurers’ association, the Association of British Insurers, has responded to the UK Treasury Select Committee questions/requests which were as follows:</p> <ul style="list-style-type: none"> <li>• How many ABI members have ceased offering product since onset of crisis?</li> <li>• How any have changed terms of product?</li> <li>• Provide examples of how products changed while in force, at renewal or at initial purchase.</li> <li>• How have customers (actual or potential) been informed of changes/exclusions?</li> <li>• Estimate aggregate exposure for insurer liability for business disruption from Covid-19.</li> <li>• How are insurers responding re BI cover given UK government’s announcements re effective moment requiring businesses to close?</li> <li>• Any flexibility to be shown re element of potential cover for Covid-19 BI losses?</li> <li>• What implications for private health insurance policies following NHS (UK state health authority) securing agreement to use private hospital facilities and staff.</li> </ul> <p>Initial response of ABI is in terms that data is not routinely collected to enable many such answers to be provided, but fuller response is being provided.</p> <p><b>Link supplied to Lombard column in Financial Times (Kate Burgess/31.3.20):</b></p> <p><a href="https://www.ft.com/content/d3090df5-b787-411f-88dc-3910dc0c1e72?desktop=true&amp;segmentId=d8d3e364-5197-20eb-17cf-2437841d178a#myft:notification:instant-email:content">https://www.ft.com/content/d3090df5-b787-411f-88dc-3910dc0c1e72?desktop=true&amp;segmentId=d8d3e364-5197-20eb-17cf-2437841d178a#myft:notification:instant-email:content</a></p>
26.	<p><b>Uruguay</b></p> 	<p>In Uruguay the message of the Government is to stay at home, we don’t have a compulsory quarantine for the moment, but we have to respect a social distance.</p> <p>The degree of compliance is good, although we will see in next Easter that it is a very appreciated time to holidays for the Uruguayans... The Minister of Tourism has fervently asked all to stay at home, not to</p>

	<p><b>Dr Andrea Signorino (1.4.20)</b></p>	<p>go to the resorts. Even in the beautiful Punta del Este, public promenades have been closed, including the beaches.</p> <p>We have suspension of judicial deadlines, closure of courts, only urgent criminal matters are addressed, the schools are closed until April 13, in principle, although we are all organizing work, classes and lectures in a virtual way because this same situation will surely be extended.</p> <p>The Parliament has just voted the so-called “Fondo Coronavirus”, which is nourished by a tax on the salaries and pensions of public employees that earns more than \$80,000 net (approx. US\$1,900) in addition to contributions from public companies and international organizations. Additionally, there are many voluntary contributions to the fund, from private sectors, especially agriculture. A special unemployment insurance system has also been decided to help employers and workers.</p> <p>Shelters have also been set up for people in street situation, divided in groups of suspects and not suspected of being infected. An APP has been created to evacuate doubts about Coronavirus and to follow up on possible cases, as well as telemedicine. It is a great advance that is helping a lot. We are also organizing mobile posts to detect cases, where the eventual patient can pass a test, without having to get out of the car.</p> <p>Added to this is the solidarity of the people who organize food “ollas populares” to distribute to others who need it.</p> <p>As for insurance, insurers are organizing the work on the basis of teleworking but we note that some companies have problems to do that efficiently.</p> <p>The academic discussion today is around the <i>ex gratia</i> or commercial payments, very normal in Uruguay, that the insurers are facing in the context of the coronavirus. The pandemic is normally an exclusion in life and health insurance, and in D&amp;O and Civil Liability the problem is around the work disruption and reputational risks related to the coronavirus.</p> <p>We don't have a legal impediment to do that, but If the insurers decide to pay in all the cases excluded, <i>ex gratia</i>, without taking into account the contractual balance between claims and premium, they could generate a problem for the mutuality of the policyholders.</p>
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27.	<p data-bbox="555 156 613 181">USA</p>  <p data-bbox="524 336 647 437">Prof. Birgit Kushcke (28.4.20)</p> <p data-bbox="539 624 631 719">Richard Traub (9.4.20)</p> <p data-bbox="548 868 660 968">Richard Traub (30.3.20)</p>	<p data-bbox="701 371 1877 437">Posting of report of contentious move by seven US States and launch of a federal bill to open up BI policies retrospectively to cover Covid-19 related claims:</p> <p data-bbox="701 469 1935 534"><a href="https://www.commercialriskonline.com/states-delay-on-retroactive-bi-bills-for-virus-losses-because-of-constitutional-questions/">https://www.commercialriskonline.com/states-delay-on-retroactive-bi-bills-for-virus-losses-because-of-constitutional-questions/</a></p> <p data-bbox="701 603 1895 671">Keeping track of the number of COVID-19 DJs and lawsuits is proving problematic. The following link provides a very good survey by our friends at law firm, Hinshaw.</p> <p data-bbox="701 703 1834 769"><a href="https://www.hinshawlaw.com/newsroom-updates-insights-for-insurers-first-covid19-coverage-cases.html">https://www.hinshawlaw.com/newsroom-updates-insights-for-insurers-first-covid19-coverage-cases.html</a></p> <p data-bbox="710 874 1373 940"><b>Reported link to: Review in the US – Some Highlights Thanks to Law 360</b></p> <p data-bbox="710 979 1823 1045">Courts across the country have changed procedures. Access is restricted and cases have been postponed. But there has also been a number of new lawsuits being filed across the country.</p> <p data-bbox="710 1090 1252 1118">The range of lawsuits from last week include:</p> <p data-bbox="710 1161 922 1190">1. Insider Trading</p> <p data-bbox="792 1233 1798 1334">Sen. Richard Burr, R-N.C., for selling his holdings in Wyndam Hotels after receiving confidential briefings on Feb. 13 about the potential scope of the pandemic.</p> <p data-bbox="804 1377 1895 1406">Filed in D.C. federal court, the lawsuit said Burr breached his duty by selling stock, including</p>
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		<p>Wyndham stock, based on non-public information.</p> <p>2. Price-Gouging</p> <p>Florida Attorney General issued subpoenas to 43 third-party sellers in the state that have been accused of price-gouging essential goods on Amazon. In some cases, the increases are as high as 1662% for face masks, sanitizers and disinfectants.</p> <p>3. Business Disruption</p> <p>Small-business owners have filed lawsuits over orders to close "nonessential" businesses in their respective states to contain the spread of the virus. These are non-coverage related.</p> <p>In New Jersey, the Governor and the State Police have been sued in a 2<sup>nd</sup> Amendment case brought by a gun store. The allegation is that the right to bear arms was violated when they were ordered closed.</p> <p>In Pennsylvania, a proposed class of small businesses allege they are "on the precipice of economic collapse." They are alleging that somehow they should be compensated for that.</p> <p>A few other small businesses are suing China alleging that it covered up in the weeks following the country's first diagnosis which resulted in a wide spread of the disease. This one is filed in Nevada Federal Court.</p> <p>4. Employment</p> <p>A Chicago nurse sued her hospital claiming wrongful termination for reporting that the masks they were provided did not do the job.</p> <p>She was supposedly fired the day after she sent an email to colleagues and supervisors saying that N95 face masks are safer and more effective than the masks being distributed by the hospital.</p> <p>She is bringing the claim under Illinois' Whistleblower Act.</p>
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