



## Aurora COVID-19 UPDATE

Yes, WE ARE OPEN FOR BUSINESS! new business and renewals.

Our staff are working both in the office and from home. It is best to use email to contact any of our underwriting team.

If you wish to call the office, we can be reached at **1-866-328-1314 or 780-442-2240.**

General Inquires:

[nmccreedy@auroraunderwriting.com](mailto:nmccreedy@auroraunderwriting.com)

Claims Enquiries:

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### **Our Underwriting Team:**

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### **Business Interruption**

Generally, our industry standard policy forms covering Business Interruption, Civil Authority, and Extra Expense have direct damage trigger clauses, which require direct damage to insured property by an insured peril before coverage will respond. These would not generally cover pandemic related business interruption. If you feel that coverage may be present in your insured's coverage form, please submit a claim to [nmccreedy@auroraunderwriting.com](mailto:nmccreedy@auroraunderwriting.com) and we will make sure it is submitted to the appropriate claims people immediately so that we are able to advise you if coverage is available. For additional information, please see the following reference on pandemic BI coverage from the Insurance Bureau of Canada: <http://www.ibc.ca/on/business/COVID-19>

### **Coverage certainty and continuity**

We continue to work on renewals and new quote in the ordinary course of each day and if we are not able to provide coverage are advising brokers 30 or more days in advance. We are accepting pictures of signatures as well as E signatures. We are working on several endorsements that will help to make life easier for Insured's who have has to close their businesses due to government edicts and will send further advise when they are ready. Every account will be looked at on an individual basis.

### Mid-term premium adjustments

COVID-19 interruptions are impacting revenue across many businesses that we insure. It is unknown how long these interruptions will last, and how quickly turn-over will recover once restored. While turn-over may be reduced for a period of time, many exposures continue or even increase during a slow-down in the business operations. Liabilities from past work, under contract, and in leases, are not reduced by a slow-down. Many property exposures may increase, such as theft, and fire/water damage at idle operations. Additionally, society may become more litigious if we slip into a recession.

- With respect to property insurance, we are not granting mid-term return of premium for reductions in revenue. Business interruption coverage has been provided at full limits for the term to date, and may well increase to full limits by the end of the policy term, or by the end of the period of indemnity if a covered loss were to occur during the COVID-19 interruption period. If a policy is cancelled, we will allow short-rate return of premium in accordance with policy terms and conditions. If the exposure of physical property is reduced, such as deleting a building or reducing stock values, we will allow the appropriate return of premium.
- With respect to liability insurance we are not granting mid-term return of premium for flat-rated and non-adjustable policies. For adjustable policies we will adjust premium at expiry based on actual receipts subject to minimum earned premium as stated in the policy (if any).

### Vacant or unoccupied property, or shut-down operations

During this public health emergency, many businesses are having to cease operations and idle their facilities. This introduces a number of risks for which the otherwise operational coverage has not been underwritten. Vacant or unoccupied property, or shut-down operations are material changes in use and may limit or void coverage. Please notify us immediately if any insured has vacant or unoccupied property, or shut-down operations. Please advise us what is being done to protect the property from damage or loss? Please ensure best practices are followed in all cases

Best practices for idle properties:

- Conduct routine checks of the premises, as frequently as possible (daily is ideal) Minimum 72 hours intervals.
- Lock and secure all openings and ensure intrusion-alarm systems are active (if present).
- Ensure all fire-protection (sprinklers and smoke/fire-detection) systems are active.
- Maintain sufficient heating to prevent freezing damage.
- Shut-off domestic water (not sprinklers) to prevent water damage.
- Maintain security and fire protection inspection services normally present in the operation (if any). Notify us immediately if any of these services cannot be continued as normally scheduled.
- Notify us immediately of sprinkler-impairments at the property (if any).
- Review the insurance policy for warranty or exclusion conditions that may affect coverage due to the change in use.

Many Lloyd's syndicates are requiring a COVID-19 exclusion and a Lloyd's Market Association standard wording has been developed. It is very likely that we will be required to apply this exclusion to new/renewal/extension policies soon.

Thank you for supporting us in good times as well as these challenging times.  
We will update this page periodically as we receive new questions and we develop guidelines in response.

Please all continue to practice social distancing and stay safe.

Nona McCreedy, FCIP,CRM

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