

ABI Response to Treasury Select Committee Data Request April 2020

In response to the Treasury Select Committee's letter (dated 25 March 2020) the ABI has been working with our members to pull together the wide-ranging data and information requested by the committee. This response provides data and examples of how ABI members and the insurance industry has been responding to the COVID-19 crisis. We received 37 responses from members for a total of 40 different companies. The information provided in our submission is representative only of those members who have responded, rather than representing the industry as a whole. Member respondents to this request accounted for at least 80% of the total written premiums of ABI members for the product lines mentioned. The data is aggregated to provide as full a picture as we can at this stage, and this is supported by examples of how our members have been working with their customers to support them during this challenging time. We will continue to work with the committee as further data is collected and we will keep members updated.

Executive Summary

- Insurers understand that this is an incredibly difficult time for families and businesses, and we continue to be in daily contact with HM Treasury and wider Government to support customers.
- Insurers have agreed important pledges on home, motor, health and protection, pet and travel insurance to help and support customers and **expect to pay out over £1.2 billion** in claims for businesses, travel disruption and cancelled events, weddings and school trips.
- Insurers have been managing an unprecedented level of activity in response to COVID-19 with **some members reporting around a 200% increase in query volume to call centres compared to March 2019**. In the face of this crisis insurers expect to deal with an average of £45million in General Insurance claims per day and £40 million in retirement payments and have implemented business continuity plans effectively. Insurers' operational resilience has held up very well with the majority of staff moved to home working without significant disruption to customers.
- Latest ABI figures **estimate that travel insurers will pay out £275 million and handle 400,000 cancellation claims** – a record level of claims and pay-outs, beating the £148million paid out in cancellation claims for the volcanic ash cloud in 2010. **Insurers expect the record number of claims to increase as we head into the summer and the virus continues to restrict customers' ability to travel.**
- Only a small number of businesses will be covered for COVID-19 under business interruption policies. No insurance market in the world provides widespread pandemic coverage and the UK is no exception. Instead, standard commercial insurance policies – the type the vast majority of businesses purchase – provide cover against a wide range of day to day risks including damage caused by fire, flood, theft and accidents involving employees. **Insurers normally handle claims equivalent to £22m each day from firms through these policies, supporting millions of businesses across the UK each year.**

- Whether cover for pandemics can be provided through an insurance model in the future is an important debate that the ABI will engage Government on. Given the massive, systemic impacts affecting a huge number of businesses at once, it is clear that significant state involvement may be required for an affordable solution for businesses.
- The ABI has been separately working with members to project the impact of COVID-19 on business insurers. **Our central estimate indicates that insurers could make £900million in payments of valid business interruption claims.** It should be noted that this is an initial estimate and given the fast-changing nature of the current crisis, it is still too early to say how much the virus will eventually cost on business interruption claims. The ABI will continue to work with the committee to provide further detail on expected claims as further details emerge.
- **Individual insurers will take consider all business interruption claims on a case by case basis.** Our members understand that where cover does apply, assessing these claims and paying out quickly is of vital importance and members have been making interim payments on valid claims.
- **Insurers are taking significant steps to clarify policy wordings, offer policy extensions, waive policy restrictions and support customers across the full range of insurance products available during this difficult time.** Only 4% of products have been withdrawn in March 2020 and all members who responded are being flexible to make payments and support or advise customers as much as possible.
- Insurers have been keeping customers and the public informed on COVID-19 developments their websites, creating dedicated Q&As, website pages and information hubs for new and existing customers, direct communication with brokers and customers as well as dedicated COVID-19 support lines.

How many of your members (by type of cover, e.g. commercial, travel) have ceased to offer a product since the onset of the crisis? Where products have ceased to be offered, can you provide the type and number of products that have been taken out of the market?

(N.B.) For the purpose of this data collection an insurance product has been defined as “a single product line that your business sells either directly or indirectly through brokers and other third parties. This should be interpreted from the perspective of your customers - for example a “Gold” travel policy would represent a different product to a “Silver” travel policy. For commercial lines please do not treat individual bespoke policies as distinct products - where a large variety of different offerings exist in this instance please report for a whole line of business.” Nevertheless, it should be noted that there is no standard definition of an insurance ‘product’ and some members’ product figures included a variety of different wordings – this is particularly prevalent for commercial policies.

1. Of the over 2,000 products available across all domestic and commercial lines at the beginning of March, less than 100 products (4%) had been withdrawn by the end of March. A significant majority of those withdrawn products (63) related to travel insurance products where cover was temporarily withdrawn in response to the latest Government and FCO travel advice. 15 out of the 36 respondents to this question had withdrawn a product in March 2020. The majority of policies withdrawn related to travel, some income protection

- policies with short deferral periods and some telematics motor policies where technicians were unable to fit vehicles with the telematic devices due to the Government restrictions.
2. The responses indicate a very low number of products that were withdrawn in March 2020 with the vast majority of products still available for purchase on the market.
 3. It should also be noted that not all of the products were withdrawn in response to the COVID-19 outbreak and that withdrawing products is a natural part of the insurance market as products are updated, improved or amended to diversify the offering for customers.
 4. Some travel members who responded temporarily withdrew from providing new business travel insurance cover due to the rapidly evolving situation with COVID-19 in order to focus on supporting and servicing existing customers during this difficult period. Many members noted that the withdrawal did not affect customers renewing an annual travel policy, and this chiefly affects new customers and single trip policies. Other reasons for withdrawal included avoiding selling products with unclear coverage of COVID-19 and by not confusing customers with new exclusions.

How many of your members (by type of cover) have changed the terms of a product: While it is in force (number of products and type)

5. During March, 10 member companies made amendments to policy terms whilst in force and around 90 products (10%) had policy terms altered. Products where terms were changed include property (41), PMI (40) Motor (6) and Pet (2). In many cases these changes are in the customers' favour – for example relaxing policy requirements or adding additional services and benefits for the customer. Further details on the extensions and support offered to customers have been set out below.

At renewal (number of products and type)

6. 220 out of 2,000 products (10%) have changed terms at renewal with 18 member companies changing policy at renewal stage. Further details on members updates to policies at renewal in response to COVID-19 are set out below.
7. Nearly three quarters of these products (142) are commercial property insurance policies – these represent 21% of the commercial property policies available from respondents in the first two months of the year. The bulk of remaining changes at renewal are in relation to private medical insurance (40 products, equivalent to 40% of PMI products available earlier in the year). These changes provided additional services for customers' benefit following the Private Health Sector and NHS agreement in March. Just under ten percent of travel insurance products (16) are set to have their terms changed at the next policy renewal. These changes typically centred around the inclusion of more specific pandemic exclusions, and refinements on how claim conditions interact with FCO travel advice. In some cases, the changes have not yet been implemented and do not appear in the figure above.

At initial purchase (number of products and type)

8. A number of products have had terms changed for new sales in order to respond to the COVID-19 outbreak. Of the 2,000 products available 242 (11%) have seen changes for new customers with 21 member companies making changes to their policies. For the most part alterations have taken place to provide clarification on the extent of coverage for COVID-19 to new customers.
9. The largest affected category was commercial property insurance, with 71% of companies writing this business line having changed product terms for new policies. Just over half

(57%) of private medical insurance providers have modified terms for new customers; these changes were typically the same as for renewing policies, and all for the benefit of customers.

Can you provide examples, by product, of how policies have changed, while in force, at renewal or at initial purchase?

Home and Motor pledges

10. ABI members have signed up to the following pledges to support home and motor customers during this difficult period.

- **Support those who need to make a claim.** Insurers have implemented business continuity plans and work closely with service providers to do everything possible in these challenging circumstances to continue to handle claims and support their customers. We recognise there will be many customers who will need additional support and insurers will prioritise those in vulnerable circumstances.
- **Support those who are working from home.** If you are an office-based worker and need to work from home because of government advice or because you need to self-isolate, your home insurance cover will not be affected. You do not need to contact your insurer to update your documents or extend your cover.
- **Support those who cannot work from home.** If you have to drive to your workplace because of the impact of Covid-19, your insurance policy will not be affected. You do not need to contact your insurer to update your documents or extend your cover.
- **Support those who use their cars to help their communities.** If you are using your own car for voluntary purposes to transport medicines or groceries to support others who are impacted by Covid-19, your cover will not be affected. You do not need to contact your insurer to update your documents or extend your cover. This applies to all categories of NHS Volunteer Responders, including transporting patients, equipment, or other essential supplies.
- **Support our key workers.** If your work is critical to the national response to Covid-19 and you need to use your own car to drive to different locations for work purposes because of the impact of Covid-19, your cover will not be affected. You do not need to contact your insurer to update your documents or extend your cover.

Motor

11. In addition to the above pledges, Members have made policy extensions to allow motorists to use their vehicles for voluntary work such as delivering food and goods.

12. ABI members have signed up to additional pledges on supporting taxi and Private Hire Vehicle Drivers:

- If you are a licenced taxi or private hire driver and have hire or reward insurance in place, as of 8 April, you will not need to contact your insurer to extend your existing cover while driving this vehicle to carry parcels, medical supplies, household goods, groceries or takeaway meals during the COVID-19 restrictions. This commitment will be in place until the end of the COVID-19 restrictions, or until 31 July 2020, whichever is sooner.

13. Members have also extended insurance coverage as part of MOT extensions and for those who may be stuck in the country and needing to use their vehicle. In some cases, planned

changes to policies or excesses have been delayed due to COVID-19 and payment of small claims has been prioritised with acceptance of reduced evidence. Additional measures have included:

- Some respondents have offered payment holidays to customers and given refunds for this period where customers are unable to use their vehicles.
- Removing default charges or additional interest charges for customers who miss a direct debit payment or postpone instalments.
- Removing fees and charges for policy changes related to COVID-19 (e.g. cancellations of cover).
- Where already in arrears, reviewing the options of cancellation, waiving associated fees, to prevent the customer falling into further arrears.
- Proactively providing additional services to key workers such as courtesy cars and free breakdown cover.
- Extending cover periods and providing support for customers whose vehicles are written off during the lockdown.

Property – Home and Business

14. In addition to the ABI member pledges, insurers have made additional pledges to support businesses with guidance on unoccupied premises as well as offering additional support for those with second homes.
15. Insurers have waived restrictions on unoccupied premises and extended unoccupancy limits. This has included a relaxation on requirements for regular inspections for school and business customers especially where this requires tradespeople. In some instances, members have also extended risk improvement deadlines for domestic buildings, for example removing requirements for regular fire and burglar alarm testing during this period.
16. Insurers have also extended domestic property policies to take account of people working from home during the restrictions and additional possession limits have been extended for IT equipment to enable effective home working. Commercial policies have been extended to cover use of equipment and employer liability.
17. For new sales of commercial property cover some members have also made changes to make notifiable disease and pandemic exclusions even clearer for customers. Many insurers have provided further guidance on the extent of coverage in relation to pandemics and COVID-19 in order to provide support and clarification for customers.
18. Additional support has included:
 - Accommodating changes in business trade / property use – for example allowing home delivery or facilitating coverage for medical supply production.
 - Payment flexibility – including changing regularity of policy premiums and considering changes in sums insured for businesses.
 - Payment holidays and other financial easements for domestic customers.
 - For commercial customers at renewal, some members have allowed grace periods where the customer is uncontactable, to ensure continuous coverage.

Pet

19. ABI Pet insurance members have signed up to pledges to support their customers. The pledges set out that insurers will:

- Support those who need to make a claim
 - Work with vets to help customers – members recognise that access to veterinary surgeries is limited and have agreed that being unable to access surgeries in person due to COVID-19 restrictions will not invalidate policies.
 - Provide support if pets need a vaccination or health check
 - Ensure that customers are provided with, or directed to, the most up to date information around the COVID-19 outbreak.
20. Pet insurance coverage from members has seen policy extensions as set out in the ABI's pet insurance pledges to customers. This has included extending cover for pets trapped overseas until lockdown restrictions are lifted, paying for pet vaccinations and offering flexibility in claims and services for pet owners.

Travel

21. Insurers have made extensions to policies whilst in force and at renewal to support customers during the COVID-19 crisis and respond to the rapidly evolving Government and FCO travel guidance advice.
22. Leading ABI Travel members extended cover limits for single trip insurance policies from 30 days to 60 days to assist those trying to get home from another country under lockdown restrictions or who may have fallen ill with COVID-19 related illness while abroad.
23. Insurers have also been updating new and renewal travel policies to exclude COVID-19 for those policies sold after the WHO pandemic had been covered and to set out that future bookings on a policy would not be covered for COVID-19 – insurance is designed to protect against possible events or scenarios and not for definite events, such as a declared global pandemic, where the premium would mirror the costs of any potential loss. In some cases, members also temporarily withdrew travel cover for new customers in order to focus on existing customers and those who may have been stuck overseas as travel restrictions were enforced or put in place. Many members continue to offer renewals to existing customers to ensure continuity of coverage.
24. Members are supporting schools and businesses who may have had to cancel a trip due to COVID-19 and FCO travel advice. The unprecedented step from the FCO to advise against all non-essential travel abroad has provided welcome clarity for our customers and the industry. Generally, insurance cancellations or travel disruption will relate to FCO advice. This decision will therefore allow policyholders with cancellation or travel disruption cover in place to claim for cancelled trips that were already booked and cannot now go ahead and where costs cannot be recovered from elsewhere (where there is a legal duty from their airline or their travel, accommodation or credit card provider to refund customers).
25. The best advice for anyone affected by travel disruption is to first seek a refund from their airline, travel operator, accommodation or credit card provider before speaking with their travel insurer, if needed, to recover costs.

Private Medical Insurance

26. In some cases, Insurers have provided additional services as a part of private medical insurance policies to include:

- Access to virtual GP services and providing customers with additional cash benefits for COVID-19 treatments where patients are treated for COVID-19 related symptoms through the NHS.
- Subsidising prescription delivery charges
- Other insurers have made alterations to include some relaxing of existing terms and waiving pandemic exclusions for some elements of cover. In some instances, members have extended policies in force, amended new policies and those being renewed for reasons that are not related to COVID-19 and are standard policy updates to improve product offering.

Protection (excluding life insurance)

27. Protection insurers who responded have also amended policies in order to support customers. This has included accepting office addresses in place of work from home employee addresses, relaxing restrictions on original documentation and wet signatures as well as relaxing requirements to provide medical evidence for COVID-19 claims until NHS capacity has been restored.

Can you provide, on a weekly basis since 1 January 2020, the aggregated number of policies sold by type of cover, separated by renewal or initial custom?

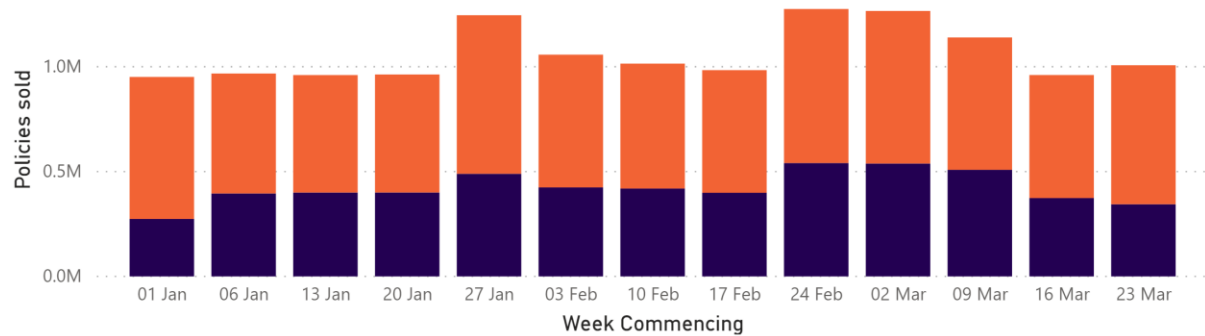
- It should be noted that the ABI does not collect weekly sales data from its members and this data is not exhaustive so should therefore be treated as highly indicative.
- The highest-frequency data published by ABI is our home and motor premium trackers. We hope to publish the 2020 Q1 data shortly.
- Weekly data will be highly susceptible to cyclical effects, such as spikes at the start of the year / end of each month.
- Seasonal effects will also likely play a big role in variations over the course of the year and, **without wider data to compare to, interpretation of these figures is rather subjective.**
- Further points to note are that several respondents were able provide monthly data only and this has been redistributed between each of the weeks. Not all respondents were able to provide complete data for this time period due to delays in delegated sales channel reporting and the recency of March to this request.

Overall sales

- Respondents to this survey sold approximately 13.8 million new and renewed policies to customer since the 1st January 2020.

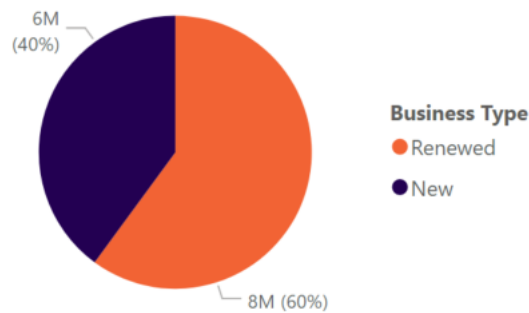
Policies sold by Week Commencing and Business Type

Business Type ● New ● Renewed



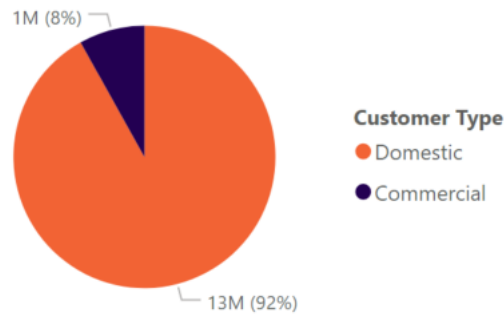
- The data shows peaks in the last week of each month; the beginning of March also appears to have sustained higher levels of sales than the beginning of January or February.
- At an overall aggregate level, 60% of policies were sold to renewing customers; the remaining 40% were sold to new customers.

Policies sold by Business Type



- Note that not all respondents classified renewals separately from new business.
- The majority of policies sold (92%) were to domestic insurance customers
Commercial sales peaked in the first week of January.

Policies sold by Customer Type

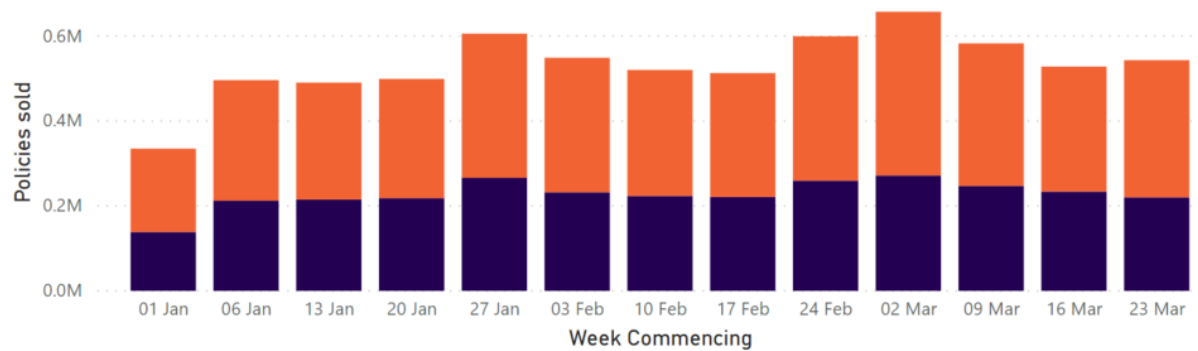


Motor insurance

- 18 companies provided data for this product line.
- Respondents sold 6.9 million motor policies from January to March 2020.

Motor policies sold by Week Commencing and Business Type

Business Type ● New ● Renewed

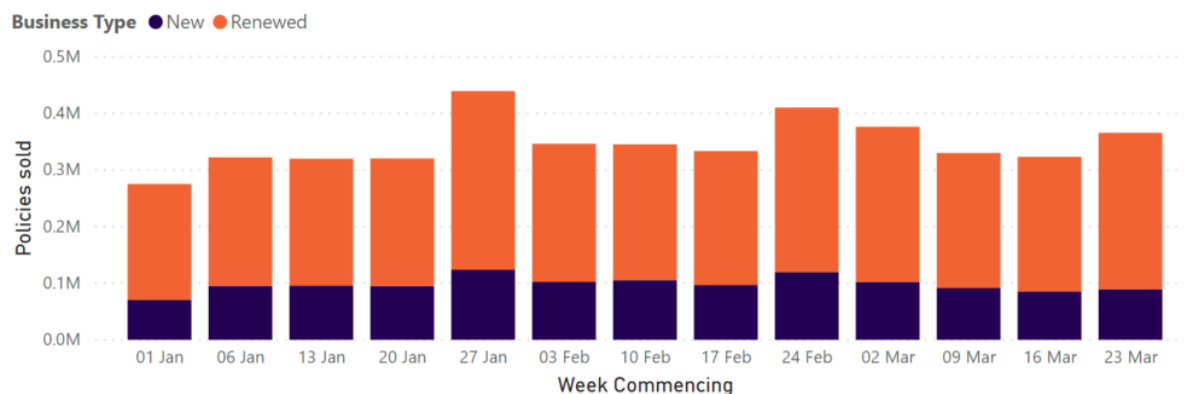


- Over the whole period approximately 57% of policies were sold to renewing customers.

Property Insurance - overall

- 20 respondents provided data for this product line.
- Respondents sold 4.5 million **property insurance** policies from January to March 2020.
- Peaks are more evident towards the end of each month; this is more pronounced for commercial property policies.

Property policies sold by Week Commencing and Business Type

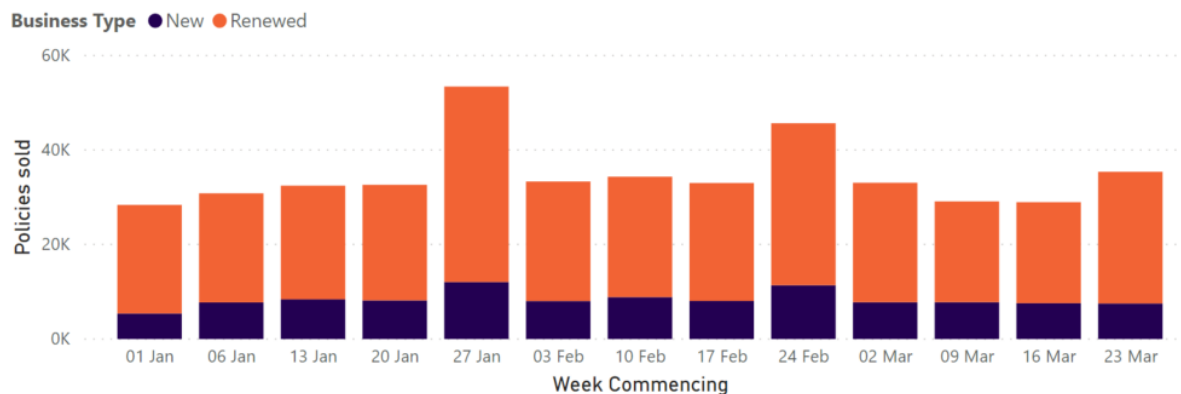


- Over the whole period 72% of policies were sold to renewing customers.

Commercial Property Insurance

- 12 respondents provided data for this product line.
- Respondents sold 450,000 commercial property insurance policies from January to March 2020.
- As mentioned above, policy sales were more likely to be in the final week of each month.

Commercial property policies sold by Week Commencing and Business Type

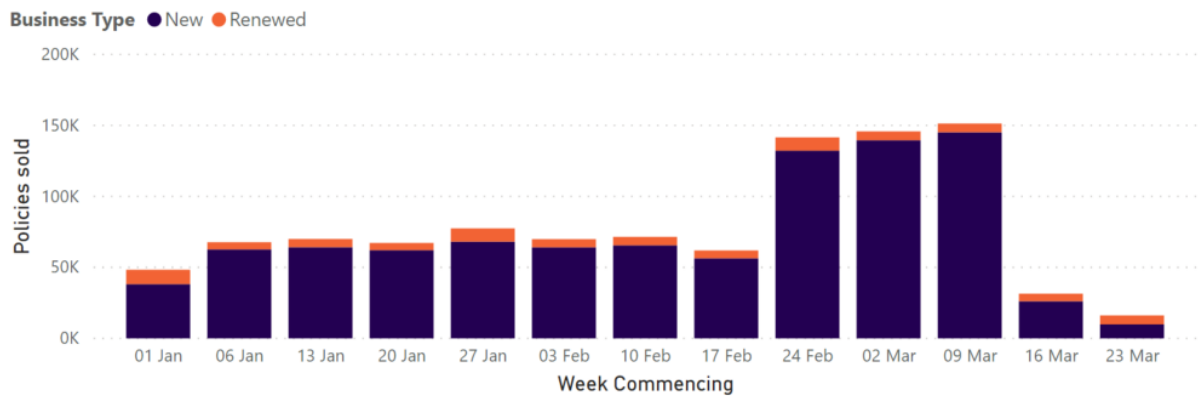


- Over the whole period 76% of policies were sold to new customers.

Travel Insurance

- 17 respondents provided data for this product line.
- Respondents sold 1.0 million **travel insurance** policies from January to March 2020.
- A subset of respondents experienced very substantial increases in sales towards the end of February and beginning of March as Covid19 containment measures began to be implemented around the world.
- Towards the end of March sales dropped dramatically, especially for single trip policies.

Travel policies sold by Week Commencing and Business Type

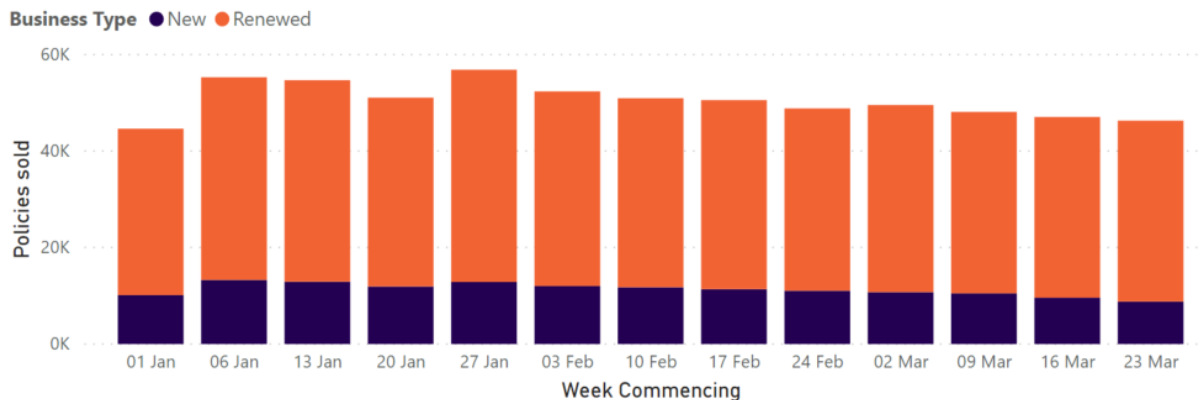


- Over the whole period 92% of policies were sold to new customers.
 - Note that not all respondents were able to split out renewing business from new sales.

Pet

- 11 respondents provided data for this product line.
- Respondents sold 0.7 million **pet insurance** policies from January to March 2020.
- Sales have been stable, albeit declining slightly towards the end of this timeframe.

Pet policies sold by Week Commencing and Business Type



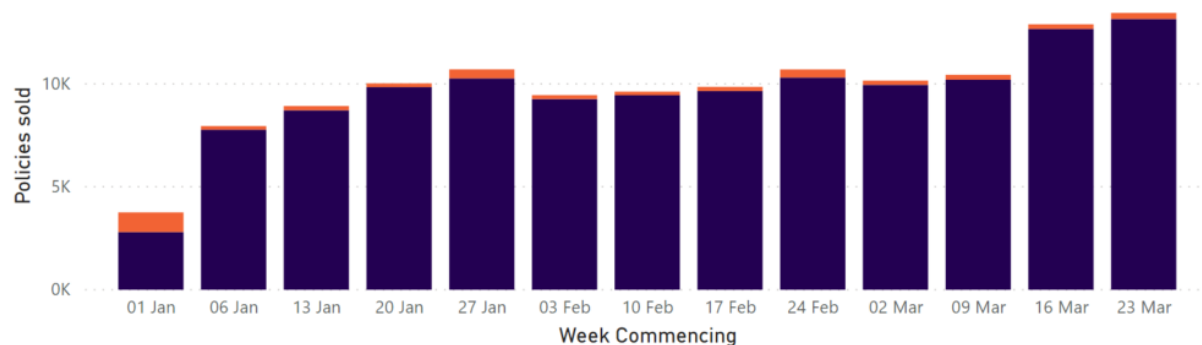
- Over the whole period 78% of policies were sold to renewing customers.

Protection (exc. life insurance)

- 15 respondents provided data for this product line.
- Respondents sold 128,000 protection policies (excluding life insurance) from January to March 2020.
- Though sales have grown over the course of the year, we do not have data to evaluate whether this is a normal trend or related to Covid19.

Protection (exc. life) policies sold by Week Commencing and Business Type

Business Type ● New ● Renewed



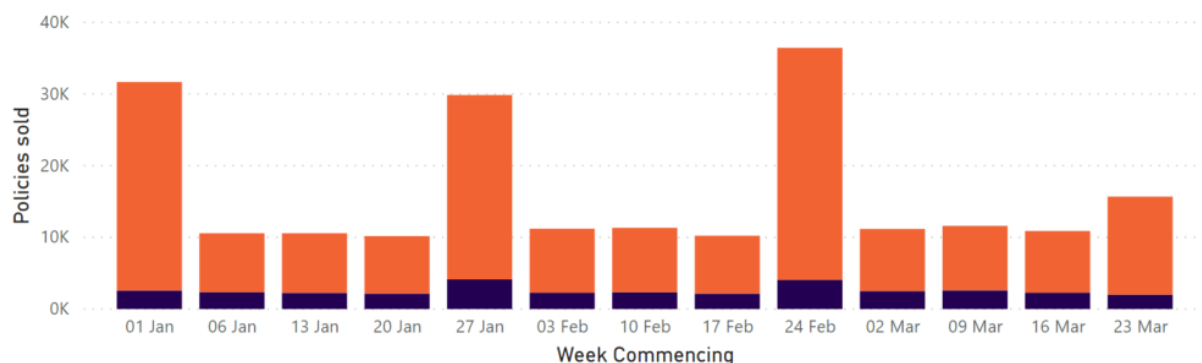
- Over the whole period 3% of policies were sold to renewing customers – note that policies do not always ‘renew’ in the usual sense, at least partly driving the low proportion.

Retail Private Medical Insurance

- 13 respondents provided data for this product line.
- Respondents sold 211,000 domestic PMI policies from January to March 2020.
- A large number of renewals occur at the end of the month (note 1st Jan overlap) – this was a consistent trend across many providers.

Domestic PMI policies sold by Week Commencing and Business Type

Business Type ● New ● Renewed



- Over the whole period 84% of policies were sold to renewing customers.

Can you provide information on how firms have communicated to customers, both current and potential, how things have changed in the market, and where exclusions, or changes in when policies can be called upon, have also changed

28. Communication with customers, both existing and new, is key for our members. Overall insurer contact centres took over 4.5 million calls in March 2020. Insurers have been keeping their websites and all public facing methods of communication continuously up to date with the latest information on COVID-19. Any changes to the market and high-level information for customers about engaging with their insurers has also been provided on the ABI’s COVID-19 Information Hub. Insurers’ operational resilience has held up very well

with the majority of staff moved to home working without significant disruption to customers.

29. One of the ways that insurers have been keeping customers and the public informed on COVID-19 policy developments is through their websites, creating dedicated Q&As, website pages and information hubs for new and existing customers to visit and find out more. This has included targeted Q&As with COVID-19 information, updates to and specific online resources for brokers and small businesses.
30. Insurers have been providing notices to customers where policy changes may take place and ensuring that there is clear communication in documentation for any renewals or new product purchases. Members have sent emails to customers setting out any and all product changes and updating customers on current activity from their insurer. Some members have also set up dedicated call lines for COVID-19 related claims.
31. During the sales process, insurers have been clearly setting out changes at quote, pre-renewal and product summary as well as reminding new customers about the impact of COVID-19 throughout the sales journey. Product activity is also made clear on websites and through comparison websites.
32. For commercial insurance products the majority of products are sold through a third-party intermediary or broker who will work with the insurer to provide the best levels of coverage for their clients. This is particularly the case for commercial property business insurance where almost 80% of policies on the market are sold through brokers.
33. Insurers have been working closely with brokers and third parties to keep customers fully up to date and this has included regular information emails to brokers and FAQ sections for intermediaries on insurer websites, hosting webinars for customers with policy experts, email updates and continued proactive communication with partners as well as using partner brands to communicate COVID-19 information to customers.
34. Additionally, communication is taking place through website guidance, regular emails and any changes to policies or the market being communicated through renewal documentation and covering letters.

Can you provide an estimate of the amount of money, in aggregate, your firms expect to pay out for business disruption in the face of the coronavirus?

35. The ABI has been separately working with members to project the impact of COVID-19 on business insurance. Our central estimate indicates that insurers could make £900million in payments of business interruption claims. It should be noted that this is an initial estimate only and given the fast-changing nature of the current crisis, it is still too early to know how much the virus will eventually cost in business interruption claims. The ABI will continue to work with the committee to provide further detail on expected claims as further details emerge.
36. The spread of COVID-19 is unprecedented in modern times. No insurance market in the world provides widespread insurance coverage for pandemics and the UK is no exception. For such cover to be available at affordable prices for businesses would require a very significant subsidy from the state, as the scale of business disruption we have seen with the COVID-19 pandemic demonstrates. Whether cover for pandemics can be provided through an insurance model in the future is an important debate. Given the massive, systemic impacts affecting a huge number of businesses at once, it is clear that significant state involvement may be required.
37. Only a very small number of businesses choose to buy any form of cover that includes local closure due to an infectious disease. An even smaller number will have cover

enabling them to potentially claim on their insurance for the presence or impact of the Coronavirus pandemic. Instead, standard commercial insurance policies – the type the vast majority of businesses purchase – provide cover against a wide range of day to day risks including damage caused by fire, flood, theft and accidents involving employees. Insurers typically handle £22m of claims each day from firms through these policies, supporting millions of businesses across the UK each year.

38. As the Chancellor of the Exchequer has pointed out, both to your committee and on the floor of the House, any attempt to retrofit existing insurance contracts to cover the COVID-19 outbreak would create significant solvency issues for members which in turn would undermine the strength of the UK economy and our economic recovery once the current crisis has abated.

Can you provide details of the approach that your members are taking in respect of business interruption insurance, given the government’s recent announcements concerning the effective moment of the requirement for businesses to close?

39. Insurers recognise this is a worrying time for all businesses and ABI members are committed to swift payment of valid claims and interim payments to their customers. As recognised by the industry regulator, the FCA, [in a letter to insurance CEOs](#) said: “most policies have basic cover” and “do not cover pandemics, and insurers have no obligation to pay out in relation to the COVID-19 pandemic”. The Government’s clarifications on business closures were deemed sufficient for insurance purposes where this condition needed to be met as part of the overall terms and conditions of the policy in place and agreed with the business.

Can you provide details of the approach that your members are taking regarding the provision of cover for the costs to business relating to Covid-19 and where there may be some flexibility shown in respect of this element of potential cover?

40. Every day, insurers typically action claims of £22m to firms through business insurance policies, supporting millions of firms across the UK each year. In the instance where business have acquired insurance which covers business interruption losses arising from COVID-19, ABI members are working tirelessly to support their customers, through the swift payment of valid claims, interim payments and providing clear and quick answers to customer questions.
41. Insurers consider all claims on an individual basis. Our members will engage proactively with customers who have cover which extends to the disruption caused by this pandemic – this may include some general infectious/notifiable disease extensions or those which list COVID-19 or where COVID-19 demonstrably closed premises for de-contamination prior to the lockdown. As an example of insurers working with business customers during this exceptional period insurers have been pro-active in granting policy extensions and waiving policy restrictions for customers on a range of activities and insurance products. This has included:
- Extending policies to cover activities relating to ventilator construction.
 - Adding cover for employees using business equipment when working from home.
 - Taking a flexible approach to changing business descriptions and risk profile
 - Covering employers for employer liability and public liability insurance in employee homes.

- Extending unoccupied periods up to 90 days and offering flexibility on required inspections.
- Allowing volunteer use of vehicles and chauffeuring of NHS equipment.
- Relaxing MOT requirements and offering policy extensions for motor customers.
- Encouraging digital document delivery instead of post and relaxing levels of evidence required to process a claim – in some instances, claims are being accepted with online videos or photos as evidence.
- Setting up dedicated COVID-19 claims lines and claims teams to manage all COVID-19 related claims.
- Utilising web-based claims processes, accepting late submissions of claims and processing upfront payments to support customers in difficulty. Where possible priority on processing claims is also being given to NHS and key worker staff.
- Waiving fees and charges and restrictions on unoccupied premises.
- Individual ABI members are considering potential payment holidays during this period. Insurers are taking a flexible approach to payments for customers in financial difficult and are taking a case by case approach to staggering payments or accepting delays.

Given that the NHS has secured an agreement to use private hospital facilities and staff, what are the implications for the cover that firms are able to provide to individuals with private health insurance policies?

42. In order to prepare for the huge strain on health services, the UK Government has needed to maximise the number of beds that can offer ventilation and intensive support, and the available healthcare professionals who can help. The NHS has enlisted the help of the private sector to help do this and they are working closely with the [Independent Healthcare Providers Network \(IHPN\)](#) to support. The ABI and our private medical insurance company members [fully endorse this collaboration](#). Where there are potentially more people who have immediately life-threatening conditions than there are resources to care for them, the country needs to come together as a whole to prioritise the sickest being treated first.
43. Where treatments and benefits are deferred - not cancelled - customers will get the treatments they need, but these will be necessarily delayed if the treatment is non-urgent during this national crisis. The value of the policy over 12-18 months remains the same. The existing long-term value is not only still true, but also potentially higher given the addition of holding diagnostics and treatments around pain relief and it is possible that some more complex treatments emerge as conditions and diseases progress in this hiatus.
44. Health insurance provides a range of benefits to policyholders which can continue to be accessed during the Coronavirus outbreak. This includes the ability to have virtual and telephone (24hr) contact with GPs and consultants, as well as gaining specialist help for physiotherapy or mental health matters. These services are likely to be expanded where possible over the Coronavirus outbreak. Insurers are making sure that their customers have full awareness of the benefits that can be accessed from the comfort and safety of their homes.
45. Cancer care for customers is crucial and insurers and private hospitals are working to ensure minimal impact on services. Private hospitals are endeavouring to continue to provide cancer services at dedicated sites throughout the UK.

46. Insurers know that consultants will start offering virtual diagnostics and treatment (for example pain relief and pain management) during the outbreak period whilst claims and treatment are deferred. Insurers are also looking to improve virtual services to support health and well-being, to help customers during a period when gyms are closed, and other restrictions mean it is harder to access normal health services or to exercise away from the home. If customers are hospitalised with Coronavirus, they will be treated through the public health system. As there is no private health option available, if they need to receive NHS treatment for Coronavirus, some insurers are offering a cash benefit to provide support to customers.

Additional Industry activity in response to COVID-19

Further work by insurers and industry pledges in response to COVID-19 are set out below. The ABI has also developed a [COVID-19 Information Hub](#) on our website where more information can be found on the industry's response to the current crisis. The information hub has had over 300,000 visitors since being launched in March.

- **Key workers** - Following Government advice for schools to close, the ABI and our members have been engaging with HM Treasury and the FCA to **ensure that insurers are able to continue to processing claims in a timely efficient manner.**
- **Payment holidays** - insurers have encouraged vulnerable customers in financial difficulty to contact their insurer to arrange payment holidays which fit their ability to pay. We have made arrangements for extension of policies and immediate renewal for those unable through sickness to contact their insurer
- **Health and protection pledges** – In April we have published [commitments from protection members](#) to help support customers who may be affected by COVID-19 when making a claim on a life, critical illness, or income protection policy, and to reduce the burden on the National Health Service (NHS).
- **Collaboration with personal injury lawyers to maintain access to justice during lockdown** - A new set of '**Coronavirus Personal Injury Protocols**' has been launched [by the ABI and claimant solicitors](#), to mitigate the impact of COVID-19 on the civil justice system in England and Wales, and in Scotland. There are hundreds of thousands of active personal injury claims across the UK legal jurisdictions, so **the ABI and Thompsons Solicitors have reached a historic agreement under a protocol to ensure that neither party in a personal injury claim is unfairly impacted by disruption to the courts from COVID-19** in England and Wales. We have a similar agreement with the Association of Personal Injury Lawyers in Scotland and are in discussions about a Northern Ireland agreement. The protocol specifically targets any practical or procedural opportunism presented by COVID-19 related disruption. **Signatories agree to adopt a flexible and pragmatic approach in cases**, whether that is the use of limitation as a defence, serving documents, or the exchange of evidence, **and to recognise restrictions on attending hearings while social distancing guidance is in place.**