

Date: 7.5.2020

Publication: Timesofindia.indiatimes.com

[Hit by Covid-19, corp queries for biz interruption cover hit roof](#)

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Hyderabad: Hit by the lockdown, many corporates across sectors are making a virtual beeline for insurance companies to enquire if they can be offered

respite under the business interruption cover, confirmed insurers. While the existing business interruption cover does not cover Covid-19, this situation has opened up possibilities for insurers to include such scenarios in future policies, they added.

“Faced with an unprecedented situation where most businesses are shut due to the pandemic, more and more companies are enquiring about the availability of business interruption coverage that can cover them against pandemics in future. If demand is robust and sustained, once insurers are able to size up the economic impact of this pandemic, insurance for pandemics covering clean up and containment costs, the regular standing charges of a business, and even loss of profit, would become available,” Sushant Sarin, executive vice-president and head of reinsurance, Tata AIG General Company Limited, said.

According to insurers, it is mainly players from manufacturing and travel and hospitality sectors that are enquiring about such policies.

CR Mohan, senior V-P and national head, property and risk engineering services, Bajaj Allianz General Insurance, pointed out that the provision of business interruption policy is generally sold along with fire insurance or property insurance cover in India, but only 0.1% of the total fire-policy holders have availed business interruption policies so far, leaving a huge scope for insurers to tap this market. “It is mainly large and medium corporates who have availed business interruption cover. In future, to offer business interruption policies covering pandemics like Coronavirus looks difficult as the costs for insurance companies would be too high. However, industry can consider creating a pool to deal with such situations in future,” he added.

Animesh Das, head (product strategy) Acko Insurance pointed out that insurance industry saw a rise in queries of home insurance post Chennai floods and Uttarakhand floods because people saw value in it. Similarly, individuals as well as corporates, who are facing challenges now, would want insurance cover that can be useful in such scenarios in future and based on the demand-supply factor, these products may be launched in future but insurers will be cautious in terms of pricing, he added.

While insurance regulator IRDAI has issued guidelines asking insurance companies to cover Covid-19 treatment costs under health insurance policies, it is yet to address the woes of the corporate sector. IRDAI did not offer comments on the subject at the time of going to press.

City-based Sentini FloPipes managing director K Jaya said the present market scenario created by Covid-19 is unprecedented. “Presently, we have started the process of evaluating insurance for such business eventualities. We expect insurance companies to suggest and

consider covering it in the classification of natural calamity and provide coverage for loss of revenue or profit,” she said.

As per KPMG’s ‘Potential Impact of Covid-19 on Indian Economy’ report, there will be demand and hence a need for development of products focusing on ‘Loss of Business’ or ‘Loss of Revenue’ given the recent experiences. Estimating a similar business loss event would be critical and would require a focused effort and estimation on the part of insurers, it said.