

Consumer guidelines to be considered with business interruption insurance

Introduction

Business interruption insurance (also known as business income insurance) is insurance coverage that replaces business income lost in a disaster. It differs from property insurance in that a property insurance policy only covers the physical damage to the business, while the additional coverage allotted by the business interruption policy covers the profits that would have been earned.

Making a claim;

1. Speak to the insurer.

- Try to call, email, fax, or use the chat function available on some insurer websites to contact the insurer to make a claim. Try multiple different ways to get through to the insurer.

2. Speak to your insurance broker.

- Sometimes, the insurer will direct complainants to deal with their broker in the first instance.
- In some cases, brokers may be able to get through to the insurer on priority call centre lines to inform them of the claim and seek guidance.

3. If dissatisfied with the response of the insurer/broker, or if you are unable to contact them despite diligent attempts to do so, make a formal complaint to them.

- The complaint would ideally be in writing (so there is a record) and would describe what the complainant considers should have happened, together with details about what they believe would be a fair and reasonable resolution to their complaint.
- Document all attempts to contact the insurer. Keep copies of emails and note the date and time and number called of any attempts to reach the insurer and of any left voice messages. This will help in any subsequent review of the complaint.

4. Request a copy of the landlord's insurance policy.

- The policy may be held with a different insurer to that held by the business. Some business interruption policies may rely on the coverage of the landlord's policy for the property. Find out if any payment has been made to the landlord arising from the crisis.

5. In the business's insurance policy, check if there is a policy exclusion for (a) an insured peril; (b) disease; or (c) *force majeure*.

- It is important to determine what specific exceptions there may be for circumstances covered by the policy.

6. Check whether there is a limitation on the total amount payable under the policy.

- Note that the Ombudsman can make binding awards of up to £150,000 for complaints found to have merit; any award beyond that amount is not binding on the insurer.

7. Review the final response to the complaint from the insurer/broker.

- If the business is dissatisfied with the final response, they should consider whether they wish to refer the matter to an Ombudsman scheme such as the [Channel Islands Financial Ombudsman](#) (CIFO) for Jersey and Guernsey insurers/brokers or the [UK Financial Ombudsman Service](#) (UK FOS) for UK-based insurers/brokers.

8. Check if the insurer is based in the UK.

- If so, it may be more appropriate to refer the potential complaint to the UK FOS. In the current situation, the best way to contact UK FOS is online at www.financial-ombudsman.org.uk, by email at complaint.info@financial-ombudsman.org.uk or by telephone on 020 7964 1000.

9. Contact CIFO to make a complaint.

- An online complaint form is available at www.ci-fo.org. If necessary, a complaint form may be downloaded for completion that can then be sent via email.
- The complaint form asks for background details and whether the individual bringing the complaint has authority to do so on behalf of the business.
- Please include a copy of the final response letter from your insurer in the submission to the Ombudsman.
- Note that CIFO can only deal with complaints from individuals or microenterprises (less than EUR 2 million per year turnover and fewer than 10 full-time equivalent employees).

The principal ombudsman will keep this guidance under review in the light of cases received by CIFO and will publish updated guidance if necessary. Any comments or suggestions on this guidance should be sent to consultations@ci-fo.org.