

Insurance Risks and the impact of Covid-19

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The Covid-19 pandemic is an unprecedented global event, which is likely to have a lasting impact on both businesses and individuals for some time to come. As an immediate consequence, the current lockdown measures and social distancing guidance from the Government have fundamentally changed how many of us approach the way we conduct our business.

The current conditions may have resulted in many VLP members turning to online communication platforms like Skype, Zoom or Webex (to name but a few) to give them an opportunity to continue providing their valuable services. Unfortunately, the shift to this new way of working can present its own challenges and risks ranging from potential breaches of data protection and security to the failure of the systems themselves, which could leave you exposed to a potential claim.

When considering this potential exposure, two considerations that should be kept in mind – risk management and the insurance position.

From a risk management point of view, it is important to ensure that you are comfortable with the chosen provider and the services they are providing. By way of example, the majority of the mainstream providers like Microsoft will provide assurance regarding the safety and stability of their platform. If the Client or Agency is looking to use a different system that you are not familiar with, if possible, take the time to reassure yourself that it is safe and secure.

Once the appropriate platform is selected, when it comes to the meeting or call itself, we would suggest that you exercise the usual degree of skill and care when performing the services. That being said, it may be advisable to exercise more caution when dealing with personal or confidential data, given that you may not know who else is present on the call legitimately

or otherwise. In addition, as internet connections can drop out or audio and video can fragment or be subject to glitches, extra care may need to be taken to ensure that the Client fully understands the outcome.

While you can take all reasonable steps to counter every possible risk, you may still be faced with a potential claim should things go awry either with the technology or the outcome of the meeting itself.

The first port of call may be to consider whether a claim could be brought against the platform providers. But, no matter which platform is used, the terms and conditions you will have had no alternative but to accept, will limit or exclude any liability on their part. In the unlikely event that no such exclusions are in place, as they simply provide a platform with no control over the meeting/call itself, establishing a claim against them would still be extremely difficult.

Where does this leave the VLP Member?

In cases where the member has Professional Indemnity insurance, they may have cover for any civil claims brought against them arising out of the performance of their professional services. This covers claims arising out of negligence in the services themselves but can also include losses suffered by the Client following a breach of data protection legislation.

The Professional Indemnity Insurance policy cover arranged by MFL Professional on behalf of the members is a wide-ranging policy that will provide cover for almost all claims that could be made against the Members. However, if your cover is placed elsewhere, we would suggest that you consult your insurance broker to discuss your current policy, as there may be conditions or exclusions that could limit the extent of any assistance that Insurers could offer should a claim arise.

If you would like to discuss any of the issues raised in this publication, please do not hesitate to contact us.

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