



PRIVATE AND CONFIDENTIAL

Customer's Name

Address 1

Address 2

Address 3

Address 4

Address 5

Postcode

Dear Sirs

We are writing to you because either:

- (1) you have intimated a claim in respect of COVID-19 related business interruption losses, and we have not yet made a decision on your claim; or
- (2) we have previously written to you to explain why, in AXA's view, either there is no cover available under your policy in respect of COVID-19 related business interruption losses or your claim is subject to an adjustment or deduction for general causation

On the 9th of June 2020, the Financial Conduct Authority ("FCA") began a legal "test case". The test case will consider a number of matters in respect of COVID-19 related business interruption insurance claims where the policyholder has not suffered any damage to its property. It is intended by the FCA that Court determinations given in the test case will assist in resolving some key contractual uncertainties and causation issues, and thereby provide clarity for policyholders and insurers.

As noted below, any decision on your claim which has been communicated to you (or will shortly be communicated to you) will presently remain in effect.

The test case Court hearing is expected to start on 20 July 2020 and finish on 30 July 2020. The Court's judgment will be delivered and made public shortly after. However, the final resolution of the test case will not be achieved until any appeal(s) have either been concluded or the time for appealing has expired.

You can read more about the test case on the FCA's website:

<https://www.fca.org.uk/firms/business-interruption-insurance>

You may wish to subscribe for email updates from the FCA on the test case. You can do so from the link set out above.

You can read material published by the Financial Ombudsman Service concerning business interruption insurance cases on its website:

<https://www.financial-ombudsman.org.uk/coronavirus>

We will also be publishing information and updates on the test case on our website, and you can find it at the following address:

<https://www.axa.co.uk/coronavirus/fca/>

We are writing to you now because your claim is likely to fall into either:

- the category of a “potentially affected claim” as defined by the FCA; that is: “a claim made under a relevant non-damage business interruption policy for losses relating to the coronavirus pandemic where the outcome of the claim, including issues of causation, may be affected by the final resolution in the test case, whether or not the insurer has declined the claim by issuing a declinature letter or has made an adjustment or deduction for general causation”.

Or

- if you have made a complaint, the category of a “potentially affected complaint” as defined by the FCA’ that is: “a complaint (as defined in the FCA’s Handbook) made about the outcome of an insurer’s assessment of a potentially affected claim ...”.

The key implications of this for you are as follows:

- AXA will send you letters giving you updates on significant developments in the test case (and as noted, you can check the websites above at any time).
- Any decision on your claim which has been communicated to you (or will shortly be communicated to you) will presently remain in effect.
- However, on final resolution of the test case, AXA will reassess your claim with a view to applying the judgment(s) in the test case so far as relevant, and will promptly inform you of the outcome of the reassessment. If you have made a complaint about such a claim, then unless prior to the final resolution of the test case AXA has received notification from the Financial Ombudsman Service that it has accepted your complaint for consideration AXA will on final resolution of the test case reassess your complaint and promptly inform you of the outcome as detailed above. Where a final response to your complaint has been issued prior to final resolution of the test case, a revised final response will be sent to you.

Yours faithfully

AXA COVID-19 Claims Team