



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, there is no cover available under your policy in respect of COVID-19 related business interruption losses.

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 or complaint which has been communicated to you (or will shortly be communicated to you) is unlikely to be affected in any way by the outcome of the test case and accordingly will 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 thereafter. 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 our website, and you can find it at the following address:

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

The FCA defines a “potentially affected claim” as: “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”.

The FCA defines a “potentially affected complaint” as: “a complaint (as defined in the FCA’s Handbook) made about the outcome of an insurer’s assessment of a potentially affected claim ...”.

AXA does not consider that your claim constitutes either a “potentially affected claim” or (if you have made a complaint) a “potentially affected complaint” as defined by the FCA. This is because the only potentially relevant cover afforded by your policy in respect of business interruption claims where the policyholder has not suffered any damage to property is a “disease cover” which requires the disease to be present on the insured premises. Such clauses are outside the ambit of the test case.

The key implications of this for you are as follows:

- Any decision on your claim or complaint which has been communicated to you (or will shortly be communicated to you) will remain in effect.
- That decision is unlikely to be affected in any way by the outcome of the test case.

Yours faithfully

AXA COVID-19 Claims Team