

## Media release

Basel, 5 May 2020

**Helvetia is offering a settlement solution to those Swiss gastronomy companies with a pandemic exclusion in their insurance policy, thus providing security for all involved**

**Based on the clear exclusion clause in the epidemic insurance policy, Helvetia rejects pandemic coverage and continues to maintain this position – confirmed by a legal opinion. However, it is offering a settlement solution to Swiss gastronomy companies that have such an epidemic insurance and which have experienced losses as a result of measures to contain COVID-19. This gives affected companies an opportunity to compensate some of these losses, despite the pandemic exclusion. The settlement solution enables them to recover quickly from the effects of the pandemic and provides security for all.**

Helvetia has developed a settlement solution for Swiss gastronomy companies that have epidemic insurance with a pandemic exclusion. This settlement solution is Helvetia's response to the fact that there are conflicting views on the effectiveness of the pandemic exclusion in epidemic insurance. Helvetia regards a pandemic as a risk that is insurable only to a limited degree, and has therefore excluded this event from epidemic insurance. Where there is no insurance coverage, Helvetia is not obliged to pay out claims. This view is also supported by a legal opinion provided by a prestigious law firm at Helvetia's request. However, until the Federal Supreme Court rules on the pandemic exclusion clause, uncertainty surrounds its interpretation. Such a ruling is likely to take place in a year or two at the earliest, which is of no use to anyone in the current situation. With this settlement solution, Helvetia aims to provide immediate security with a pragmatic solution in the form of a fixed sum to help compensate companies for losses caused by officially mandated closures designed to contain COVID-19. This is urgently required to ensure the successful reopening of gastronomy companies on 11 May 2020 after this unprecedented COVID-19 event.

### **Compensation for half of non-covered costs and loss of profits**

The settlement payment, which is based on a flat rate and comes into effect regardless of legal conditions and without prejudice, compensates Swiss gastronomy companies with epidemic insurance that contains a pandemic exclusion clause for 50% of non-covered costs and loss of profit. This amount is determined based on the company's annual revenue, and will cover the duration of the mandated operational closure (16 March to 11 May 2020) and an additional half-month following relaxation of the Federal Council's measures. With acceptance of this settlement solution, the companies concerned also agree to adjust their current insurance product.

Thus, Helvetia creates transparency and clarity. Although operational hygiene risks such as salmonella and legionella remain insured, no distinction is made between a local, temporary epidemic and a worldwide pandemic. The effects of epidemics and pandemics are excluded equally.

### **Security for everyone concerned**

The proposed solution brings security to everyone concerned. Gastronomy companies will receive rapid compensation. The settlement solution will also provide additional certainty to all Helvetia's customers that their premiums are protected against incalculable major risks. Finally, the switch to hygiene insurance assures Helvetia of a shared understanding with the customer that claims resulting from a pandemic are excluded. The limited insurable risk of a pandemic requires new solutions such as exist in the form of pool solutions for catastrophic events, including natural hazards and nuclear accidents.

### **Broad support for SMEs**

In light of the current situation, Helvetia offers its business customers assistance through a wide range of simple, pragmatic solutions. The insurer is granting rent deferrals and rent-free periods, and rent reductions on a case-by-case basis. Helvetia offers support in the event of liquidity bottlenecks, and is freezing collection and reminder processes until 30 June 2020 for premium payments due from 1 February 2020. It is also triggering claims payments without delay. Helvetia advisors are supporting SMEs in their applications for government aid, and helping to clarify legal questions in collaboration with the insurer's partner Coop Rechtsschutz. The leading transport insurer in Switzerland is offering support to business customers worldwide that are experiencing blocked goods transport and supply chains. All of Helvetia's measures can be found at [www.helvetia.ch/corona](http://www.helvetia.ch/corona).

This media release is also available on our website [www.helvetia.ch/media](http://www.helvetia.ch/media).

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### **About the Helvetia Group**

In over 160 years, the Helvetia Group has grown from a number of Swiss and foreign insurance companies into a successful international insurance group. Today, Helvetia has subsidiaries in its home market Switzerland as well as in the countries that make up the Europe market area: Germany, Italy, Austria and Spain. With its Specialty Markets market area, Helvetia is also present in France and in selected regions worldwide. Some of its investment and financing activities are managed through subsidiaries and fund companies in Luxembourg. The Group is headquartered in St.Gallen, Switzerland.

Helvetia is active in the life and non-life business, and also offers customised specialty lines and reinsurance cover. Its business activities focus on retail customers as well as small and medium-sized companies and larger corporates. With some 6,800 employees, the company provides services to more than 5 million customers. With a business volume of CHF 9.45 billion, Helvetia generated an IFRS result after tax of CHF 538.1 million in financial year 2019. The registered shares of Helvetia Holding are traded on the SIX Swiss Exchange under the symbol HELN.

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