



Keeping your public liability cover valid

A policy written on a claims-made basis will defend you and deal with any claim if it is made when a policy is in force, regardless of when the incident occurred.

Simply put, in respect of abuse claims, if you cancel your insurance due to the current COVID-19 pandemic, and then a claim is made against you, then even if it relates to the period when insurance was in force, then you are not insured because you have cancelled your cover subsequently.

What period is my abuse cover public liability insurance valid for?

A claims-made policy will pay out for any valid claim made during the (typically 12-month) policy period, regardless of when the incident or alleged breach of duty actually occurred. This would typically relate to the abuse cover under a policy – it means all your activities are covered as far back as the start date of the policy or the retroactive date*, if your policy has one.

Depending on your retroactive date, this could mean your current claims-made policy could cover you for claims made during the policy period which arise out of the activities you have done over many years.

* A retroactive date is the date from which you have held uninterrupted abuse insurance cover. Any claims that arise from events prior to this date is not covered by your insurance.

When is my insurance not valid?

If you cancelled your policy, you would remove the opportunity to submit a claim for **any** incident or circumstance that could lead to an abuse claim from the date the policy was cancelled. In addition, you would also interrupt your 'claims made' abuse cover, which would result in your retroactive date being lost. This means, even if you were to reinstate cover in the future, your retroactive date is very likely to only start from the inception of your new policy, leaving you exposed to past risks.

Example

Should your public liability policy remain active and you have a retroactive date of 1 January 2000 under your abuse cover, should an abuse-related incident or related alleged breach of duty be made against you for any activities going back as far as 1 January 2000, it will be covered subject to your policy terms and conditions.

However, if you cancel your public liability policy which the abuse cover is attached to, this cover will be lost.



This differs from standard public liability cover which is on a '**claims occurring**' basis whereby once cover is purchased, for example for 1 January 2020 to 31 December 2020, then any event during this period that leads to a claim would be covered, even if the claim is brought three years later.

Keep your public liability insurance valid

This cover is complex and therefore, before you consider cancelling, we would recommend you [speak to your Towergate Insurance Brokers adviser](#) to ensure you are not left exposed.

The information contained in this bulletin is based on sources that we believe are reliable and should be understood as general risk management and insurance information only. It is not intended to be taken as advice with respect to any specific or individual situation and cannot be relied upon as such. If you wish to discuss your specific requirements, please do not hesitate to contact your usual Towergate Insurance Brokers adviser.

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