

MARCH 2020

contact@thomas-carroll.co.uk
02920 853788
www.thomascarroll.co.uk

CORONAVIRUS

INFORMATION AND ADVICE



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GROUP PLC

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OVERVIEW

Current Situation

As of 9:00am on 16th March 2020, a total of 44,105 people have been tested for the Coronavirus in the UK, 1,543 of which were confirmed to have contracted the illness.

The risk to the UK has been raised from moderate to high. The Health Protection (Coronavirus) Regulations 2020 have been put in place to reduce the risk of further human-to-human transmission in this country by keeping individuals in isolation where public health professionals believe there is a reasonable risk an individual may have the virus.



Alison Davies

*Managing Director of Thomas
Carroll Private Clients*

ADVICE FOR TRAVELLERS

In light of Coronavirus, you may have read that a number of insurers have either stopped selling travel insurance or reduced their cover, removing airline and/or removing cover for all claims related to the virus for new or renewed policies after a certain date.

In line with the stance taken by the direct writers, each of our existing travel insurance providers, of those who are still transacting travel insurance, have removed all cover in relation to:

- Coronavirus
- Travel disruption
- Airline failure (with some insurers)

What if I buy a policy from today, Monday 16th March?

Any policy purchased from today will exclude these covers.

So, what does this mean if I am an existing customer and had bought a policy before the outbreak?

The cover provided at the point of sale will remain in place and will not be subject to change. However, cover will be withdrawn at the next renewal where cover will be restricted or removed.

What happens if I simply decide not to travel?

Your policy will not provide you with any form of cover, as it was your decision not to go ahead with your planned trip.

What if the company who I booked the holiday with cancels my planned holiday?

Your first recourse should be to apply for a full refund from the provider.

What if the government proceed to isolate over 70s and I have a holiday booked?

We are unable to provide any advice at this stage until further information is received from the government and the travel insurers.

What if I decide to self-isolate?

The normal stance for you to be covered is that you will need to obtain written confirmation from your GP that you are unfit to travel. Given the current position, each individual case is subject to referral to the travel insurance provider for their decision.

What if the Foreign & Commonwealth Office (FCO) have advised not to travel and you have already purchased your insurance before this advice was issued?

Our providers include cover for cancellation subject to the policy excess. However, this does vary and depends on the provider. If you have bought cover elsewhere, you will need to check with the company who provided the cover.

What if the FCO has issued a warning not to travel but I decide to continue, and go ahead with my planned trip?

The travel policy is invalidated as you have travelled against FCO advice.

What if the FCO request that I return home, I am already on holiday and it is cut short through no fault of my own?

There is a set procedure to follow. First and foremost, you must contact the airline or the travel company who should arrange alternative transport. If this is unsuccessful, contact ATOL or the credit card company as you may have some protection available through these providers. If you are still unsuccessful, the CAA may be in a position to help. Travel insurance is your last resort. Some may provide travel disruption cover, but it varies per provider.

A NOTE ABOUT WEDDING INSURANCE

If you have a wedding booked and have not yet bought insurance, there is no cover available unfortunately.

If you have a wedding booked and have already bought wedding insurance, refer to your policy wording for full details or contact your provider directly. Cover depends on the provider and may differ per policy.

NEED ADVICE?



02920 858620



barrie.mccarthy@thomas-carroll.co.uk



Mark Eedy

*Managing Director of Thomas Carroll
Independent Financial Advisers*

INFORMATION FOR INVESTORS

Global stock markets have slumped by over 35% so far this year. Is this as bad as 2008? Certainly, the speed of the market adjustment is beginning to feel like the nadir of that crisis. In distance travelled global markets are off 30-40% compared to the 40-45% falls in '08. What is very different is that the financial system is not at risk.

The main costs of this outbreak will fall upon governments and businesses will face a period of disruption. The key question is how long this period of disruption will last and markets are likely to become more settled once this is determined.

We take much from the Prime Minister's statement last week. Action against the outbreak is being moved to one of managing and slowing rather than elimination. Isolating and suppressing outbreaks involves very significant economic costs that largely fall on businesses.

Managing and mitigating will also have costs, but these will be largely borne by what is likely to be recognised as the heroic efforts of our health service. Businesses will be impacted, and a recession is probably already underway. However, the odds of the worst case scenario for the economy, that is repeated attempts to isolate the virus around the world, are rapidly receding. As yet, this is yet to be accepted by the WHO and President Trump, but we are now assuming they will soon be obliged to.

As the authorities begin to accept that the disease cannot be contained, it provides markets with greater clarity that the effects on the economy will be short-term. Certain industries will be hit hard, such as in the travel and leisure sector. It may make sense for governments to help support these during this period, just as the banking sector was aided in the financial crisis.

We also need to consider how economies might be stimulated back to growth with interest rates already at essentially zero. We believe that policy makers still have options to attempt this.

We know the economy is in the process of taking a big hit. We feel reasonably confident that the worst economic effects will be transitory (weeks and months, but not years). Bond markets are now signalling that cash rates will be more or less zero indefinitely and that interest rate support for the economy is at its limit. Yet, in comparison, equities offer a generous dividend yield. Even the low payout S&P 500 is on a 2.5% yield, whereas the FTSE All Share offers over 6.0%.

Even if we factor in say a 20% reduction in dividends (which is extreme), the All Share yield looks good. We believe that this is not the moment to be making panicky sales from what are long-term investments and as uncomfortable as it seems in the short-term, be reassured that markets invariably recover from shocks such as these. Trying to call market bottoms during rapid sell off is futile, but it is likely in a few years' time that the current market level will be seen to have been an opportunity.

NEED ADVICE?

 02920 853750

 craig.butler@thomas-carroll.co.uk



Kevin Price
*Managing Director of Thomas
Carroll Management Services*

ADVICE FOR EMPLOYERS

(Health, Safety and Employment Law)

In case Coronavirus spreads more widely in the UK, here are simple steps that employers should consider to help protect the health and safety of employees. It's good practice for employers to:

- To help reduce the risks of exposure in the workplace, keep everyone updated on the actions being taken by the business
- Ensure the emergency contact details you have for employees are correct
- Make sure managers know the symptoms of Coronavirus and are aware of any relevant processes, for example sickness reporting and sick pay and procedures in case someone in the workplace contracts the illness
- Encourage employees to wash their hands regularly and ensure there are clean places to do so with hot water and soap and display posters/notices where necessary to endorse this
- Provide employees with hand sanitiser and tissues
- Display signs that discourage employees from entering the workplace when ill, outline the symptoms of the illness, emphasise the importance of self-isolation, emphasise the importance of respiratory etiquette and hand hygiene at all times
- Allow employees to travel to affected areas only if essential
- Identify high risk individuals, such as pregnant women, employees with chronic lung disorders and heart disease and consider sending them home from work
- Notify all absent employees to remain off work until they are fully recovered, and/or confirmation is obtained from their GP that they are able to return
- Ensure the frequency of office cleaning schedules is increased
- Encourage suppliers/delivery drivers to remain in vehicles and minimise interaction

What should I do if I have to close my business or operate on reduced hours due to Coronavirus?

If you have a contractual right to place employees on short time working or to lay them off, you could seek to rely on this. If you don't have this right, you may need to consult with them.

What should I do if an employee refuses to come to work?

It's inevitable that many employees may begin to feel concerned about their health. If for any reason there is an increased risk of catching the Coronavirus in your workplace, some employees could refuse to come into work. If this happens, it's your duty as an employer to listen to what their concerns are and provide them with reassurance.

Being as considerate and flexible as possible is key during this difficult period. Forcing an employee to come into work against their will is likely to cause them distress and could get complicated. Offering a temporary flexible contract, holiday or unpaid leave or allowing them to work from home could help alleviate the situation.

Should I be encouraging employees to work from home?

Working from home may not be available to all employees. However, it's worth considering this as a potential option for those who can benefit from this advantage. With cases rising daily across the country, staying away from crowded offices will greatly reduce the likelihood of transmission. Until the Coronavirus is under control, the benefits of remote working do outweigh the negatives. If it's handled the right way, your organisation can be as productive as ever.

Are employees who are self-isolating entitled to sick pay?

Even though an employee is self-isolating, it doesn't necessarily mean that they are sick. However, under Mr Sunak's new 2020 budget, statutory sick pay (SSP) will be extended to all of those who are eligible and asked to self-isolate, even if they are not showing symptoms. The payment, which works out at £94.25 per week, will be available from day one of quarantine.

Should I be sending employees home due to Coronavirus?

This depends on the current circumstances and whether you believe employees are at risk. After PM Boris Johnson's conference on 13th of March 2020, the UK government has moved to the 'delay' stage and has advised that anyone with a "new, continuous" cough or high temperature should now self-isolate for seven days. Also, if a member of staff has returned from one of the affected areas, you can reasonably ask them to stay at home. People should be self-isolating, even if they don't show symptoms.

To fulfill your duty of care to your employees, you should do everything reasonably practicable to manage the risk effectively. Where appropriate, this may involve arranging home working, or if this is not possible, just sending them home.

NEED ADVICE?

 02920 853794

 lauren.hill@thomas-carroll.co.uk



Gareth Cotty
*Managing Director of Thomas
Carroll Brokers*

ADVICE FOR EMPLOYERS **(Cybersecurity Considerations)**

In the wake of Coronavirus, cybercriminals are using the opportunity to take advantage of fearful people who are trying to protect themselves from the virus. According to reports by The National Fraud Intelligence Bureau, a total of 21 cases of fraud have been recorded over the last month and victims in the UK have lost more than £800,000 to Coronavirus-related scams.

Many of these scams involved the sending of fraudulent emails from fake 'Centres for Disease Control' accounts offering the recipient a list of infected people within their local area, which took the email recipients to malicious websites.

Although cyber scams can look plausible and it's getting increasingly difficult to detect deceitful emails from genuine ones, there are some simple steps you can implement to help protect yourself.

Here are a few things to look out for when deciding if an email is fraudulent:

- Check that the sender's email address is legitimate
- Hover your mouse (don't click) over linked text to see if the link looks weird
- Look out for spelling mistakes and poor grammar
- Be wary of emails that aren't addressed to you personally
- If an email asks for personal information, such as bank account details, don't trust it
- Beware of subject lines that evoke fear, e.g. 'Your account has been suspended'
- Check that the signature contains legitimate contact details
- Don't open email attachments that you weren't expecting

Working from home? Why employees need to be extra cautious

As the situation with Coronavirus develops, it's possible that more and more employees will work from home in an effort to prevent the spread of the virus. However, working away from the office and without access to a secure local network increases the risk of devices being hacked.

Whereas in the office employees use work devices that are usually up-to-date with the latest security updates and software, encrypted hard drives, automatic lock screens and so on, working remotely leaves devices vulnerable. For example, weak security settings can expose sensitive data and work-related information to cybercriminals.

Any employees that are planning to work from home should speak to their IT department first to check their security settings. It's also vital that businesses educate employees about cybercrime and the steps they can take to reduce the risk of a cyber-attack. Visit our website for more information about educating employees on the importance of cybersecurity:

<https://www.thomascarroll.co.uk/news/how-to-educate-your-employees-on-the-importance-of-cyber-security/>

Important: If your Business Continuity Plan (BCP) involves employees working from home, the risks surrounding remote working should be seriously considered. We recommend that you contact your insurer to ensure your sums insured are adequate for portable equipment or if you are moving hardware away from your premises.

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