



C/M/S/

Law . Tax

COVID-19 and the CEE insurance industry

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COVID-19 and the CEE insurance industry

As in the rest of the world, Central and Eastern Europe has had to manage the cascading effects of COVID-19 across all sectors and industries.

From March onwards public-facing activities came to an abrupt stop, while traditional manufacturing industries were forced to shut down or drastically reduce production to comply with COVID-19 restrictions.

Organisations had to send their employees home and invest in fast-track digitalisation to continue in a work-from-home format where possible. Other companies laid off their employees or sent them home to wait out the pandemic. Office buildings, hotels, restaurants, malls and manufacturing sites remained empty for weeks on end. Rent payments and overhead and operational costs continued to accrue regardless. Utilisation plummeted and profits fell.

At the time of writing, our region is emerging from the lockdown. However, it is clear that a significant number of businesses have suffered losses. Now that a degree of normality is returning and losses can be quantified, many businesses are looking to their insurers to partly make good such losses.

This guide looks at the ten most frequent questions received from the insurance industry regarding the COVID-19 pandemic. It provides an overview across the CEE region, including Russia and Ukraine, on the impact of COVID-19 in each jurisdiction, the legal qualifications given to the Coronavirus outbreak and the consequences on insurance

coverage. It offers a perspective on how each of jurisdiction has managed the pandemic, and what measures have been put in place to overcome it. The guide also sheds light on the conduct of court proceedings during the pandemic, including insurance claims, and the effects of COVID-19 on the lapse of contractual and statutory terms and deadlines that may ultimately affect coverage.

Finally, the guide offers some insight into the remote distribution of insurance and the particular legal constraints associated with this sales channel. While the COVID-19 pandemic has incentivised the sale of insurance through less conventional means, due consideration should be given to the fact that most of the countries covered by this guide have strict regulations for distance selling of financial services including insurance. From detailed pre-contractual disclosures to requirements of form and process, all of these legal constraints need to be carefully considered when designing and implementing processes for the remote distribution of insurance.¹

We would be pleased to answer any questions you may have regarding COVID-19. Enjoy reading and please contact your CMS (and CMS-partner firm) expert directly for any further questions regarding the issues dealt with in this guide.

¹ The information in this guide is valid as at 15 May 2020.

Bulgaria



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Has COVID-19 been declared as an "event of force majeure" in your jurisdiction?

There has no official declaration of COVID-19 as an "event of force majeure" in Bulgaria. However, COVID-19 can be confirmed as an "event of force majeure" by interpreting the relevant provisions of the Bulgarian Commerce Act in the context of commercial transactions (including insurance contracts). The relevant clauses of the contract dealing with force majeure events should also be considered, as there may be limitations or exclusions which apply to contracts.

If not, what are the conditions for an event to qualify as "force majeure" in your jurisdiction?

Under Art. 306 of the Bulgarian Commercial Act, a "force majeure" event is an unforeseeable or insurmountable event of an extraordinary nature, which occurs after a contract is signed. The affected party must notify the other party of the event of "force majeure" in due course, failing which it can be liable for damages.

Typically, the Coronavirus outbreak should count as a "force majeure" event, even if a pandemic is not specifically mentioned in the force majeure clause of a contract.

What key measures (e.g. state of emergency, restrictions on travel/work etc) have been taken in your jurisdiction to fight COVID-19?

Bulgaria declared a state of emergency on 13 March 2020, which ended on 13 May 2020. The Bulgarian Parliament adopted the Act on Measures and Actions during the State of Emergency on 23 March 2020, further amended subsequently.

The measures which applied during the state of emergency included:

- A prohibition on mass gatherings, closing shopping centres and malls (except for pharmacies, food stores, banks and insurance offices located in them). The HORECA, food and entertainment industry also face restrictions.
- Work-from-home: employers had to introduce work-from-home (WFH) policies where possible.
- Terms/deadlines and other measures related to judicial procedures were suspended.
- Certain deadlines for submitting tax returns and accounting reports were extended.
- Payment obligations under contracts were able to be delayed.

Which sectors of activity/industry have been most affected by these measures?

All businesses have been impacted to a certain extent by the measures or because of lower consumer activity. The most severely affected sectors are tourism, hotel and restaurant businesses, vegetable markets, retail shops in malls, entertainment facilities.

<p><i>Are there any statutory exclusions from insurance coverage in your jurisdiction? Are they relevant to the COVID-19 pandemic?</i></p>	<p>There are no statutory exclusions from coverage related to COVID-19/pandemics generally under Bulgarian law.</p> <p>However, the existence of an insurable interest is a prerequisite for establishing an insurance relationship. The absence of an insurable interest renders the insurance contract null and void. Where no insurable risk exists, an insured person may demand that the whole premium (or a portion of it in the case of deferred payments) be returned. This may potentially affect travel insurance, if the trip cannot be taken, or the insurer can no longer provide coverage for the trip because of the COVID-19 pandemic.</p>
<p><i>If the terms of insurance explicitly exclude coverage for claims due to “infectious diseases”, can the insurer rely on that exclusion or does the exceptional nature of COVID-19 affect that exclusion?</i></p>	<p>It would depend on the wording of the insurance contract. Generally, the insurer should be able to rely on the exclusions in the contract unless these would make the contract null and void because of the absence of an insurable interest in the particular case.</p>
<p><i>Has any legislation been passed, or guidance issued, on COVID-related matters regarding insurance? If so, have they made any difference between consumer and commercial policies?</i></p>	<p>No specific insurance-related legislation or guidance on insurance matters has been adopted regarding the current COVID-19 pandemic. The general measures provided for under the Act on the Measures and Actions during the State of Emergency as described above would also apply to the insurance industry.</p>
<p><i>Has any legislation been passed for, or has the local regulatory/ supervisory authority provided any facilities to the insurance industry in response to the COVID-19 pandemic?</i></p>	<p>The Bulgarian Financial Supervision Commission (the “FSC”) implemented the recommendations on supervisory flexibility regarding reporting and public disclosure set out in EIOPA-BoS-20/236. In particular, the terms for the monthly reporting obligations by supervised entities/insurers were extended generally by 30 days. In the case of already pending or newly opened administrative proceedings before the FSC, the FSC observed the statutory terms and gave relevant instructions to the parties, but the latter were not required to reply during the state of emergency.</p>
<p><i>How has COVID-19 impacted court procedures involving insurance claims in your jurisdiction?</i></p>	<p>The Act on the Measures and Actions during the State of Emergency suspended all procedural terms in administrative, litigation, arbitration and enforcement proceedings, including insurance related claims/litigation.</p> <p>Proceedings related to the security of a future claim, the imposition of interim measures, proceedings related to the suspension of preliminary execution and challenging certain administrative acts such as tax assessment notices, and other urgent proceedings were not, however, suspended.</p>
<p><i>Due to COVID-19 restrictions, insurance distribution channels are shifting. Are there any specific constraints/limitations in your jurisdiction that an insurer should be aware of for remote/distance selling of insurance?</i></p>	<p>There are no specific COVID-19 restrictions regarding insurance distribution channels.</p>

The Czech Republic



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Has COVID-19 been declared as an "event of force majeure" in your jurisdiction?

COVID-19 has not been formally declared an event of "force majeure" in the Czech Republic. On 12 March 2020, the Czech government declared a state of emergency with a duration of 30 days. It would depend on the individual circumstances, on a case-by-case basis, whether COVID-19 qualifies as an event of "force majeure" under Czech law.

If not, what are the conditions for an event to qualify as "force majeure" in your jurisdiction?

Force majeure is defined in Section 2913 (2) of Act No. 89/2012 Coll, the Civil Code, as an extraordinary, unforeseeable and insurmountable event which occurred independently of the parties' will. This definition is important in the context of contractual obligations and regarding liability for damage.

What key measures (e.g. state of emergency, restrictions on travel/work etc) have been taken in your jurisdiction to fight COVID-19?

More than 100 emergency measures regarding freedom of movement, business operations, cross-border travel, education, healthcare, social services and other sectors were adopted in the Czech Republic to manage the pandemic. Some of the key measures included:

- A limitation on the movement of individuals in publicly accessible places to what is necessary.
- Retail operations and the sale of services was prohibited, except for grocery shops, pharmacies, car repair shops, pet food and other suppliers, glasses, contact lenses, newspapers, tobacco, etc.
- Travelling to and from the Czech Republic was restricted and subject to quarantine and medical reporting rules.
- Schools closed and healthcare and social services facilities restricted patient visitation rights.
- Working from home (WFH) became the norm for those employees who were able to work from home.

Which sectors of activity/industry have been most affected by these measures?

The activity of the majority of businesses across all sectors was interrupted, which means that almost all industries have been adversely impacted by the measures taken to limit the outbreak. The automotive industry and many self-employed entrepreneurs are among the most affected, as is the HORECA industry.

Are there any statutory exclusions from insurance coverage in your jurisdiction? Are they relevant to the COVID-19 pandemic?

There are no existing or planned statutory exclusions from insurance coverage regarding COVID-19.

<i>If the terms of insurance explicitly excluded coverage for claims due to “infectious diseases”, can the insurer rely on that exclusion or does the exceptional nature of COVID-19 affect that exclusion?</i>	<p>If the terms of insurance explicitly excluded coverage for claims due to “infectious diseases”, the insurer may, in principle, rely on that exclusion. None of the published crisis measures adopted by the government affect enforceability of existing (insurance) contract.</p>
<i>Has any legislation been passed, or guidance issued, on COVID-related matters regarding insurance? If so, have they made any difference between consumer and commercial policies?</i>	<p>No such legislation has been passed.</p> <p>The Czech National Bank followed the EIOPA statement on actions to mitigate the impact of Coronavirus/COVID-19 on the EU insurance sector and recommended that insurance companies and pension companies refrain from paying dividends and other measures that could jeopardise their capital resilience. The objective is that, given the current situation, insurance and reinsurance undertakings temporarily suspend paying dividends and not redeem shares to remunerate their holders.</p>
<i>Has any legislation been passed for, or has the local regulatory/ supervisory authority provided any facilities to the insurance industry in response to the COVID-19 pandemic?</i>	<p>The Czech National Bank endorsed the EIOPA statement recommendations on supervisory flexibility regarding the deadline of supervisory reporting and public disclosure. In this context, an eight-week delay can be accepted for 2019 statements. Exceptions include annual statements with information on the balance sheet, capital and Solvency Capital Requirement calculation, for which only a two-week delay was acceptable. The CNB also accepts an eight-week delay in regular reports to supervisory bodies.</p> <p>Regarding statements of insurance and reinsurance undertakings for the first quarter of 2020, it is recommended to accept a delay of one week. An exception applies to the quarterly statement with information on derivative transactions, for which a four-week postponement of the deadline is recommended. In addition, an eight-week postponement of the deadline for the publication of the Solvency and Financial Situation Report for 2019 is recommended, except for some material information (e.g. balance sheet, capital and Solvency Capital Requirement calculation), which should be published no more than two weeks late.</p>
<i>How has COVID-19 impacted court procedures involving insurance claims in your jurisdiction?</i>	<p>No insurance-specific measures have been taken regarding court procedures.</p> <p>The Ministry of Health issued an extraordinary measure under which all public authorities and administrative offices were instructed to initiate limited operations in all their workplaces, therefore the operations of courts were generally limited. In practice, all court hearings were postponed or cancelled, and the court restricted the contact of court administrative functionaries with the public.</p>
<i>Due to COVID-19 restrictions, insurance distribution channels are shifting. Are there any specific constraints/limitations in your jurisdiction that an insurer should be aware of for remote/ distance selling of insurance?</i>	<p>There are no new specific constraints/limitations for remote/distance selling of insurance.</p>

Estonia



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Has COVID-19 been declared as an "event of force majeure" in your jurisdiction?

No. The rules of contract law, including obligations related to the performance of contracts, also apply to an emergency situation. Whether COVID-19 could constitute an event of force majeure under Estonian law has to be analysed on a case-by-case basis.

The government of Estonia declared a state of emergency due to the pandemic on 12 March 2020.

If not, what are the conditions for an event to qualify as "force majeure" in your jurisdiction?

Estonian law regards "force majeure" as: (a) circumstances which are beyond the control of the obligor; (b) which, when the contract was entered into, could not reasonably have been expected to be considered, avoided or overcome by the obligor.

The general existence of a force majeure situation is insufficient, but the event must impact the performance of a specific obligation or contract. Thus, if the Coronavirus outbreak causes non-performance, it could be regarded as force majeure and thus non-performance of the contract would be excused, and the liability of the obligor removed.

What key measures (e.g. state of emergency, restrictions on travel/work etc) have been taken in your jurisdiction to fight COVID-19?

Estonia adopted several emergency measures to address the effects of the COVID-19 pandemic, including the following:

- All public gatherings, events, performances etc were banned.
- Shopping centres closed, except for grocery stores, pharmacies, bank offices; post offices etc.
- Crossing Schengen internal and external borders was restricted and border controls together with sanitary controls were reintroduced.
- Travelling to and from certain parts of Estonia was restricted to residents, the transport of cargo goods and the provision of vital services.

Which sectors of activity/industry are most affected by these measures?

At this stage it is difficult to state which sectors of activity/industry in are most affected by these measures as the majority of businesses across sectors were interrupted. The Coronavirus outbreak greatly impacted tourism-related industries, but most likely the effects will be visible in the whole economy.

Are there any statutory exclusions from insurance coverage in your jurisdiction? Are they relevant to the COVID-19 pandemic?

Yes, several statutory exclusions are provided by Estonian law (e.g. compulsory motor insurance). However, these would not cover situations arising due to the COVID-19 pandemic. There are currently no planned statutory exclusions from insurance coverage regarding the COVID-19 pandemic in Estonia.



If the terms of insurance explicitly excluded coverage for claims due to “infectious diseases”, can the insurer rely on that exclusion or does the exceptional nature of COVID-19 affect that exclusion?

In general, if such an exclusion is stipulated in the terms of insurance policy, the insurer would be entitled to rely on it also in the COVID-19 outbreak. The Estonian government has not adopted any emergency state measures which would prejudice the enforceability of the (already existing) insurance contracts concluded with such exclusion nor have any measures been adopted that would prohibit extending such exclusions to COVID-19 cases.

An insurance agreement’s terms and conditions should be evaluated very carefully before making any coverage decision to assess whether COVID-19 is outside the scope of cover.

Has any legislation been passed, or guidance issued, on COVID-related matters regarding insurance? If so, have they made any difference between consumer and commercial policies?

The Estonian Financial Services Authority (the “EFSA”) urged insurers to take the following measures regarding consumers: provide clear and timely information on their contractual rights; treat consumers fairly in all communications; inform customers of the measures taken by insurers and insurance intermediaries in light of the state-announced decisions and their developments (e.g. continuity of services, validity of insurance agreements); continue applying product oversight & governance requirements, and, where needed, perform product review; consider the interests of consumers and exercise flexible treatment of them where reasonable and practicable; act in the best interests of consumers, and, if policyholders fail to fulfil contractual obligations due to the practical implication of the coronavirus, act in a flexible manner (e.g. late notification of claims, impossibility to carry out medical examinations, use of usual residence as a workspace).

<p><i>Has any legislation been passed for, or has the local regulatory/supervisory authority provided any facilities to the insurance industry in response to the COVID-19 pandemic?</i></p>	<p>There are no insurance-specific facilities in the wake of the COVID-19 pandemic.</p> <p>All companies, regardless of the sector in which they operate, that face difficulties in paying taxes, can apply for a tax deferral, meaning that companies can apply to re-schedule payments with the tax authorities.</p> <p>Furthermore, an exemption from late tax interest from 1 March to 1 May was introduced. This exemption applies to tax arrears arising both within that period and before then. Additionally, from 1 May 2020 until 31 December 2021, the overall daily late tax interest rate was reduced from 0.06% to 0.03% and no late tax interest at all will be applied in cases of deferring tax debts under the schedule set by the tax authorities.</p>
<p><i>How has COVID-19 impacted court procedures involving insurance claims in your jurisdiction?</i></p>	<p>No insurance-specific measures have been taken regarding court procedures. Courts continue working. However, courts have been encouraged to reorganise their work and use more electronic methods. There is no coherent guideline or practice on court proceedings during the COVID-19 pandemic. However, we have seen that parties have agreed that a discussion with the judge (not the hearing) can take place virtually. In some proceedings, it has been agreed to proceed with a written procedure instead. However, in some cases it has been stated that the court will not cancel hearings.</p>
<p><i>Due to COVID-19 restrictions, insurance distribution channels are shifting. Are there any specific constraints/limitations in your jurisdiction that an insurer should be aware of for remote/distance selling of insurance?</i></p>	<p>Estonian law regulates certain requirements for entering into distance contracts and for remote/distance selling. Insurance contracts can be concluded by using means of distance communication (telephone, website, online app etc.) provided that all information communicated to the client must be on paper or in any durable medium available and accessible to clients.</p> <p>Insurers should be aware of online sales requirements applicable to contracts concluded with the client by using distance communication. Such requirements refer to full, transparent and accurate pre-contractual disclosure of information regarding the insurer, any intermediary, the terms and conditions of the insurance etc.</p> <p>Additional requirements apply where the insurance contract is entered into by phone. Face to face selling of insurance is also permitted, subject to the observance of the legal requirements for information or documentation which should be disclosed to the customer as mentioned above.</p> <p>Estonian law grants consumers a right to withdraw from insurance contracts which were concluded by using distance communication within 14 days (within 30 days for life insurance contracts) from the day the insurance contract was concluded (the “cooling-off” period).</p>

Hungary



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Has COVID-19 been declared as an "event of force majeure" in your jurisdiction?

Yes, as a global pandemic COVID-19 is considered force majeure under Hungarian law. Although the local Civil Code does not provide a definition of "force majeure", and it does not address any of its elements, the Supreme Court's individual verdict (Kúria Pfv. 20.422/2013/5.) provides such a definition which is well admitted locally. COVID-19 falls within that definition.

If not, what are the conditions for an event to qualify as "force majeure" in your jurisdiction?

The reasoning of the aforesaid verdict states that *"Force Majeure is an irresistible force or event that no person can resist, and no one can avert. These include certain natural disasters, but also human actions that act irresistibly with elemental force (considered to be force majeure of human origin, e.g. war, riots, revolution). Events that are force majeure are absolute in nature, so it is not relevant whether the affected person can defend him/herself against them. The relevant concern is whether any person at all could avert such an event."*

What key measures (e.g. state of emergency, restrictions on travel/work etc) have been taken in your jurisdiction to fight COVID-19?

A nationwide state of emergency was declared in Hungary in mid-March, and several exceptional emergency measures were introduced afterwards.

Schengen border controls were reinstated, and only Hungarian citizens and permanent residents were permitted to enter the country. Cargo traffic was not affected. Permitted passengers were subject to medical check-up and self-quarantine for two weeks.

Although not a full lockdown, people were required to stay home unless it was strictly necessary to go out. Grocery stores, drug stores, pharmacies, medical facilities, post offices and markets operated as usual. All clubs, entertainment venues, pubs, cinemas and cultural institutions were closed. Cafes and restaurants provided a takeaway/delivery service only. All schools closed and education run on various e-learning platforms. Hospital visits are prohibited.

For the economy, several relief measures were introduced, e.g. loan repayments are suspended until the end of 2020 for all private individuals and businesses who took loans out before 18 March. For new consumer loans, the annual rate has been capped at the HNB prime rate plus 5%. Short-term business loans are extended until 30 July. Financial institutions enjoy certain reliefs to enhance their liquidity, however they should pay a newly introduced extra tax.

The most impacted sectors received interim tax and social security relief, in response to business fallback. For certain sectors, lease agreements concluded regarding non-residential premises cannot be terminated until 30 June 2020.

The Labour Code was also amended to ensure more flexibility and support the remote (home office) working.



Which sectors of activity/ industry are most affected by these measures?

According to the government, the following sectors were the most impacted by the epidemic and primarily supported by tax and other reliefs: tourism, hospitality (gastronomy, hotels etc.), entertainment, sport, cultural services and passenger transport.

Are there any statutory exclusions from insurance coverage in your jurisdiction? Are they relevant to the COVID-19 pandemic?

No such statutory exclusion exists. Insurers are at liberty to determine the applicable exclusions in their terms and conditions.

If the terms of insurance explicitly excluded coverage for claims due to "infectious diseases", can the insurer rely on that exclusion or does the exceptional nature of COVID-19 affect that exclusion?

In principle, the insurer should be able to rely on that exclusion. However, it also depends on the exact language and embedded conditions of such exclusion. Some policy wordings explicitly and separately address epidemics, and sometimes force majeure, which would have primary relevance to verify this exclusion and respective claim refusal.

<p><i>Has any legislation been passed, or guidance issued, on COVID-related matters regarding insurance? If so, have they made any difference between consumer and commercial policies?</i></p>	<p>No such an insurance legislation has been passed so far. The local financial regulator (the "HNB") circulated several management letters to insurers and intermediaries outlining the regulatory expectations to mitigation efforts of COVID-related risks. From a product perspective, these recommendations mainly addressed the life and pension businesses, primarily from the consumer's perspective. The declared need for keeping solid business continuity and the enhanced utilisation of distance communication with customers (electronic, telephone) generally apply to all regulated entities. In line with the similar EIOPA recommendation, most recently the HNB has called for the temporary suspension of all discretionary dividend payment, share 'buy-back' programmes and large, performance-based compensation. At the same time, insurers need to review their remuneration policies and adjust them to the current economic circumstances. The HNB required written responses and confirmation by 30 April 2020. Deviations from those expectations had to be verified in detail. Otherwise, the HNB has been regularly posting COVID-related EIOPA statements without making comments.</p>
<p><i>Has any legislation been passed for, or has the local regulatory/ supervisory authority provided any facilities to the insurance industry in response to the COVID-19 pandemic?</i></p>	<p>No such facilities, administrative or tax reliefs to the insurance industry have been announced so far.</p>
<p><i>How has COVID-19 impacted court procedures involving insurance claims in your jurisdiction?</i></p>	<p>Court procedures have been generally impacted, with special regard to deadlines and personal hearings. In mid-March, the Government ordered an extraordinary justice (court) intermission which practically interrupted all ongoing procedural deadlines. This also created some degree of confusion.</p> <p>Substantive deadlines of filing claims or appeals were not affected. Courts did not hold hearings in person; instead, hard copy filings and electronic communications via video and audio devices were preferred.</p>
<p><i>Due to COVID-19 restrictions, insurance distribution channels are shifting. Are there any specific constraints/limitations in your jurisdiction that an insurer should be aware of for remote/distance selling of insurance?</i></p>	<p>Yes, there are special requirements for distance selling and e-commerce. However, the distance selling of insurance has a longer track-record and the detailed, special regulatory requirements and restrictions are well known on the market. Due to COVID-19, we do not expect any extraordinary challenges in this regard. Nevertheless, insurers which did not utilise that in the past but now turn to exploit the remote selling platforms should take extra care with respective legal compliance.</p>

Latvia



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Has COVID-19 been declared as an "event of force majeure" in your jurisdiction?

There has been no formal qualification of COVID-19 as an event of "force majeure" in Latvia. Such qualification will depend on the individual circumstances at play, on a case-by-case basis.

On 12 March 2020, the Latvian government declared a state of emergency.

If not, what are the conditions for an event to qualify as "force majeure" in your jurisdiction?

Force majeure is not defined in Latvian law. In its practice (which is not a binding precedent, but is often relied on by courts in later cases), the Latvian Supreme Court has stated that force majeure events must meet the following conditions: (a) consist of an event or circumstance that can neither be avoided nor overcome; (b) which could not have been foreseen by a reasonable person on the conclusion of the contract; (c) which has not occurred due to a party or a person controlled by it; and (d) which makes performance impossible (not merely burdensome). For example, the Latvian Supreme Court stated that an economic crisis (such as the 2007/08 crisis) did not constitute a force majeure event.

What key measures (e.g. state of emergency, restrictions on travel/work etc) have been taken in your jurisdiction to fight COVID-19?

Several emergency measures regarding freedom of movement, business operations, cross-border travel, education, healthcare, social services and other sectors were adopted to manage the outbreak. Some of the key measures include:

- Travelling to and from countries and territories affected by COVID-19 was suspended.
- Social distancing measures in trading venues were introduced, with shopping centres closing at weekends and on holidays, except for food shops and certain other essential goods shops.
- All public and private events involving a large number of individuals were prohibited and all schools and similar facilities closed.
- Employers were required to ensure that individuals exhibiting symptoms of acute respiratory infection were not employed in work involving potential risks to the health of other people.
- Individuals returning from countries affected by COVID-19, and anyone with whom they had had contact, were subject to strict isolation.

In response, Latvia announced several significant support measures for businesses.

Which sectors of activity/industry are most affected by these measures?

While it is difficult to state which sectors of activity/industry in Latvia are most affected by these measures, as the majority of businesses across all sectors had been interrupted, the tourism and travel-related industries have been mentioned among those mostly affected.



Are there any statutory exclusions from insurance coverage in your jurisdiction? Are they relevant to the COVID-19 pandemic?

There are several statutory exclusions under Latvian law, but these cannot be applied to COVID-19. Additionally, there are no existing or planned statutory exclusions from insurance coverage regarding COVID-19. Therefore, insurers should seek to rely on contractual (if any), rather than statutory exclusions.

If the terms of insurance explicitly excluded coverage for claims due to "infectious diseases", can the insurer rely on that exclusion or does the exceptional nature of COVID-19 affect that exclusion?

In general, if an insurance agreement explicitly excludes coverage due to infectious diseases or losses caused by viruses, the insurer can rely on such exclusion. The current market practice is to rely on general exclusions covering epidemics and diseases, as well as decisions taken by public authorities. None of the published crisis measures adopted so far by the government affect the enforceability of existing (insurance) contracts.

The terms and conditions of the insurance should be evaluated very carefully before making any coverage decision to assess whether COVID-19 is outside the scope of cover.

Has any legislation been passed, or guidance issued, on COVID-related matters regarding insurance? If so, have they made any difference between consumer and commercial policies?

The Latvian Financial and Capital Markets Commission (the "FCMC") has not issued any statements or guidance in the insurance sector. However, it has republished the EIOPA statements regarding Coronavirus/COVID-19 on its website.

The FCMC urged insurers to comply with certain consumer protection measures, including the provision of clear and timely information to consumers on their contractual rights; fair treatment of consumers; complete and accurate information to customers about measures taken by the authorities and any consequences of the provision of services (continuity of services, validity of insurance etc); continuous enforcement of product oversight and governance procedures; fair and flexible treatment of consumers where reasonable and practicable (e.g. where policyholders fail to fulfil contractual obligations due to the practical implication of the Coronavirus).

<p><i>Has any legislation been passed for, or has the local regulatory/supervisory authority provided any facilities to the insurance industry in response to the COVID-19 pandemic?</i></p>	<p>There are no insurance-specific facilities in the wake of the COVID-19 pandemic. Companies can apply for tax relief regardless of the sector in which they operate. The Latvian FCMC announced that it will take a more individual and tolerant approach given the effects of COVID-19 pandemic on each individual market player.</p>
<p><i>How has COVID-19 impacted court procedures involving insurance claims in your jurisdiction?</i></p>	<p>No insurance-specific measures have been taken regarding court procedures. Most court proceedings which are organised with parties present (as opposed to written proceedings) were postponed to after the end of the state of emergency.</p> <p>In addition, guidelines have been adopted on organising court proceedings via video conferencing. All cases organised in written proceedings continued as scheduled.</p>
<p><i>Due to COVID-19 restrictions, insurance distribution channels are shifting. Are there any specific constraints/limitations in your jurisdiction that an insurer should be aware of for remote/distance selling of insurance?</i></p>	<p>Latvian law regulates remote/distance selling extensively. Insurance contracts can be concluded by using distant communication (telephone, website, online app, etc.), but all information communicated to the client must be on paper or in any durable medium available and accessible to the clients.</p> <p>Insurers should be aware of online sales requirements applicable to contracts concluded with the client by using distance communication. Such sales are permitted, provided that a number of pre-contractual disclosure and contract conclusion requirements are met.</p> <p>Where insurance contracts are concluded over the internet, the insurers must ensure that sufficient evidence exists that the client has regular access to the internet (e.g. client provides email address, has expressed his/her consent to be notified electronically) so he/she can access all relevant information.</p> <p>Regarding the sale of insurance via telephone, additional written evidence must be collected documenting the valid conclusion of the contract. Face-to-face selling of insurance is also permitted, subject to the observance of the pre-contractual disclosure requirements above.</p> <p>Latvian law grants consumers a right to withdraw from insurance contracts concluded via remote communication within 14 days (within 30 days for life insurance contracts) from the conclusion of the insurance contract (the "cooling-off" period). Consumers must be informed of this right up front.</p>

Lithuania



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Has COVID-19 been declared as an “event of force majeure” in your jurisdiction?

No, COVID-19 itself has not been declared as an “event of force majeure” in Lithuania.

On 16 March 2020, Lithuania imposed a country-wide quarantine. Whether certain circumstances and events regarding COVID-19 can be deemed as a force majeure event is decided on an individual basis according to conditions established in Section 2 below.

If not, what are the conditions for an event to qualify as “force majeure” in your jurisdiction?

According to the Lithuanian Civil Code and relevant case law, an event or circumstances qualify as force majeure only if all of following conditions are met: (a) the event occurred after the formation of an obligation and the event could not have been reasonably foreseen or anticipated; (b) an agreement cannot be objectively performed due to the event; (c) a defaulting party could not control nor prevent the event; and (d) the defaulting party did not accept the risk for the occurrence of the event in the concluded agreement.

What key measures (e.g. state of emergency, restrictions on travel/work etc) have been taken in your jurisdiction to fight COVID-19?

Lithuania imposed more than 110 decisions on measures to prevent the spread of COVID-19. The key measures are:

- Travelling to and from Lithuania was prohibited, with certain exceptions and subject to quarantine rules.
- All public and private events and public facilities (whether cultural, sports, entertainment or educational) were cancelled.
- The mandatory closure of all stores, unless they are deemed to be providing essential services (grocery stores, pharmaceutical stores, gas stations, etc.).
- Schools closed and all courses moved to online platforms.
- Remote working for all employers, unless such arrangements were impossible due to the nature of employment conditions (e.g. couriers, builders) or applicable exceptions (e.g. employees of groceries, medical institutions, pharmaceutical stores) was instituted.

In response, Lithuania announced several significant support measures for businesses.

Which sectors of activity/industry are most affected by these measures?

Currently it is difficult to indicate precisely which sectors/industries are most affected due to the implemented measures, as operations of practically all sectors/industries have been negatively affected in one way or another. At this stage it is considered that transportation, catering and tourism are the most affected, as well as those businesses that were not ready for a sudden transition to digital/remote operations.

<p><i>Are there any statutory exclusions from insurance coverage in your jurisdiction? Are they relevant to the COVID-19 pandemic?</i></p>	<p>Yes, statutory exclusions from insurance coverage are established in Lithuanian law. Policy wordings for some compulsory insurance classes are mandated in Lithuanian law, e.g. motor third party liability insurance and professional indemnity insurance lines, applicable to notaries, bailiffs etc. which provides a certain list of coverage exclusions). However, there are currently no existing or planned statutory exclusions from insurance coverage regarding the COVID-19 pandemic in Lithuania.</p>
<p><i>If the terms of insurance explicitly excluded coverage for claims due to “infectious diseases”, can the insurer rely on that exclusion or does the exceptional nature of COVID-19 affect that exclusion?</i></p>	<p>In general, if the insurance agreement explicitly excludes coverage due to infectious diseases or losses caused by viruses, the insurer can rely on such exclusion. Furthermore, the terms and conditions of the insurance agreement are mandatory for the parties to the insurance contract. The terms and conditions of the insurance should be evaluated very carefully before making any coverage decision to assess whether COVID-19 is outside the scope of cover or not.</p>
<p><i>Has any legislation been passed, or guidance issued, on COVID-related matters regarding insurance? If so, have they made any difference between consumer and commercial policies?</i></p>	<p>The Bank of Lithuania has not issued specific individual guidance. However, it has republished EIOPA’s statements on actions to mitigate the impact of COVID-19 on the EU insurance sector. As a result, the Lithuanian supervisory authority has urged insurers to continue to implement fair and adequate consumer protection principles and provide clear and timely information to consumers on contractual rights; treat consumers fairly in all communications; inform customers about measures taken by the insurers and insurance intermediaries in light of the state-announced decisions and their developments (continuity of services, validity of insurance agreements, etc.); continue applying POG requirements and, where needed, perform product review; consider the interests of consumers and exercise a flexible treatment of them where reasonable and practicable; and act in the best interests of consumers and, if policyholders fail to fulfil contractual obligations due to COVID-19.</p>
<p><i>Has any legislation been passed for, or has the local regulatory/ supervisory authority provided any facilities to the insurance industry in response to the COVID-19 pandemic?</i></p>	<p>The Bank of Lithuania has granted certain flexibility in extending certain submission deadlines, as per the EIOPA recommendations, regarding certain reports and submissions which would have otherwise needed to be made (or processed/managed) during the COVID-19 pandemic.</p> <p>Additionally, all companies can apply for tax relief regardless of the sector in which they operate.</p>
<p><i>How has COVID-19 impacted court procedures involving insurance claims in your jurisdiction?</i></p>	<p>No insurance-specific measures have been taken regarding court procedures.</p> <p>The Council of Judges recommended that court proceedings scheduled to take place during the state-imposed quarantine regime be cancelled and scheduled after the end of the quarantine, unless said verbal court proceedings are vital due to the performance of procedural actions (imposition/extension of arrest, imposition of child protection measures due to an unsafe environment, etc.). If court proceedings are deemed vital, all necessary protective and preventive measures must be taken (self-distancing during verbal proceedings, indoor ventilation, surface disinfection, parties urged to submit court documents through a special electronic system, etc.).</p>



Due to COVID-19 restrictions, insurance distribution channels are shifting. Are there any specific constraints/limitations in your jurisdiction that an insurer should be aware of for remote/distance selling of insurance?

Under Lithuanian law, insurance contracts can be concluded by using distance communication (telephone, website, online app, etc.), but all information communicated to clients must be on paper or in any durable medium available and accessible to clients.

Insurers should be aware of online sales requirements applicable to contracts concluded with the client by using distance communication. Such sales are permitted, subject to the observance of several pre-contractual disclosure requirements, aimed at giving the consumer full visibility over the nature of the service acquired, any financial or other obligations, the identity of the contracting party etc.

For online sales, sufficient evidence should be secured that the client has regular access to the internet (e.g. client provides an email address or expresses consent to be notified electronically) to be able to prove compliance with the requirements above and the valid conclusion of the contract.

Regarding insurance sales via telephone, additional written evidence has to be collected documenting that such contract exists (written confirmation sent after the phone call, evidence that the premium was paid, etc). Face-to-face selling of insurance is also permitted, subject to the observance of the legal requirements for information or documentation.

Lithuanian law grants consumers a right to withdraw from insurance contracts concluded by using distance communication within 14 days (within 30 days for life insurance contracts) from the day of the conclusion of an insurance contract (the “cooling-off” period). It is mandatory to disclose the existence of this right to a consumer before the contract is concluded.

Poland



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Has COVID-19 been declared as an "event of force majeure" in your jurisdiction?

No. Polish law does not provide for a concept of declaring a certain event as force majeure. The evaluation of whether a certain event constitutes force majeure is made on case-by-case basis.

If not, what are the conditions for an event to qualify as "force majeure" in your jurisdiction?

There is no legal definition of force majeure in Polish law. However, case law and legal doctrine defines "force majeure" as an external and unforeseeable occurrence whose effects cannot be avoided.

What key measures (e.g. state of emergency, restrictions on travel/work etc) have been taken in your jurisdiction to fight COVID-19?

Due to COVID-19, a state of epidemic was declared in Poland. Numerous measures have been taken to fight COVID-19, including restricting the movement of persons, prohibiting cross-border travel, prohibiting the organisation of and participation in events, school closures, closures of sport and cultural facilities and restrictions on functioning of large format facilities, shopping centres and certain services.

Which sectors of activity/ industry have been most affected by these measures?

A majority of businesses across all sectors have been affected. Self-employed entrepreneurs, consumer retail, services, tourism and hotel businesses, transportation and gastronomy are among the worst affected.

Are there any statutory exclusions from insurance coverage in your jurisdiction? Are they relevant to the COVID-19 pandemic?

Statutory exclusions apply to compulsory insurance (e.g. motor third party liability insurance). In general, these exclusions are not relevant specifically to the COVID-19 pandemic and relate to e.g. environmental pollution or damage caused by war or terrorism.

Additionally, some of the general statutory rules of insurer liability may be regarded as statutory exclusions. For example, regarding non-life insurance, an insurer is not liable for the damage caused by a policyholder or the insured intentionally. The same applies to damage caused by gross negligence, unless the insurance contract provides otherwise, or the payment of the compensation corresponds in the given circumstances to the considerations of equity. The impact of those rules on COVID-19 related cases should be determined on a case-by-case basis.



If the terms of insurance explicitly excluded coverage for claims due to “infectious diseases”, can the insurer rely on that exclusion or does the exceptional nature of COVID-19 affect that exclusion?

It depends on the specific wording of an insurance contract. If an insurance contract includes a definition of an “infectious disease”, an analysis should be done based on the wording of this definition. If the contract does not define this term, an “infectious disease” should be understood commonly. In this sense, in our view COVID-19 can be regarded as an infectious disease. In any case, all ambiguous provisions in an insurance contract should be interpreted to the benefit of the client.

Apart from that, the exceptional nature of COVID-19 should not affect exclusions provided for in an insurance contract. Polish law provides for specific mechanisms aimed at modifying the contractual relationship between the parties in extraordinary or exceptional circumstances (e.g. the *rebus sic stantibus clause*).

Has any legislation been passed, or guidance issued, on COVID-related matters regarding insurance? If so, have they made any difference between consumer and commercial policies?

There is no binding legislation or guidance on COVID-19 related insurance claims so far.

However, the Polish Chamber of Insurance (the “PCI”) has prepared recommendations for insurance companies that are aimed at protecting customers (both individual and corporate) which have found themselves in a difficult financial situation due to the COVID-19 pandemic. These recommendations are only guidance for insurance companies and their application is not mandatory. For example, the PCI recommends introducing simplified claims handling procedures for claims that are simple and not very high (e.g. remote inspection, telemedicine solutions).

<p><i>Has any legislation been passed for, or has the local regulatory/ supervisory authority provided any facilities to the insurance industry in response to the COVID-19 pandemic?</i></p>	<p>Poland adopted legislation on special measures related to the COVID-19 pandemic (the "COVID-19 Act"). The COVID-19 Act provides numerous facilities for business entities (including the insurance industry) in terms of employment duties, tax submissions, general corporate obligations, etc. The COVID-19 Act also provides some specific measures related to the insurance industry. For example, the deadlines for some obligations and activities of insurance and reinsurance companies and insurance brokers (mostly the regulatory reporting obligations) have been extended.</p> <p>Additionally, the Polish regulator published a "Supervisory Stimulus Package" for the insurance industry (the "SSP"), a package of extraordinary measures aimed at boosting the resilience of the Polish insurance industry to the impact of the COVID-19 pandemic. The SSP relates to areas of capital requirements and solvency, day-to-day supervision and legislative initiatives in the management of insurance contracts.</p> <p>The Polish regulator urged insurance companies not to pay out dividends and to retain profits made in previous years to safely continue the core business and to respond effectively to new threats triggered by the COVID-19 pandemic. The regulator also asked that insurers consult the regulator regarding any activities which are outside the scope of their current business, in particular those which may weaken the capital base, before such activities are taken.</p>
<p><i>How has COVID-19 impacted court procedures involving insurance claims in your jurisdiction?</i></p>	<p>COVID-19 Act has impacted all civil law court proceedings, including those concerning insurance claims. The lapse of court deadlines and other procedural deadlines in litigation and other proceedings was suspended and new deadlines have not commenced. Exceptions are used in urgent matters such as securing evidence by interviewing a person and other matters deemed urgent by the chairman of a court. No court hearings, except for urgent matters, were held during the period.</p>
<p><i>Due to COVID-19 restrictions, insurance distribution channels are shifting. Are there any specific constraints/limitations in your jurisdiction that an insurer should be aware of for remote/distance selling of insurance?</i></p>	<p>Polish legislation enables insurance companies to sell insurance via distance/ electronic communication. However, insurers should pay special attention to the timeliness and manner of providing clients with relevant information and documents as well as collecting all necessary information and consents from the client while applying that process. Special rules and obligations apply to life insurance, in particular to unit-linked or index-linked insurance.</p> <p>The use of telecommunication and automated calling systems for direct marketing is forbidden, unless a subscriber or end user has given his/her prior consent.</p> <p>It is worth noting that the Polish regulator (within the SSP) declared that it would take a pragmatic approach to the documentation of the underwriting process for insurance contracts. The PFSA accepts that the entire process may be conducted remotely by phone, email or online, subject to the customer's consent (the customer's consent may also be expressed remotely). This process should be documented by collecting the appropriate electronic files.</p>

Romania



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Has COVID-19 been declared as an "event of force majeure" in your jurisdiction?

There has been no formal declaration of COVID-19 as an event of "force majeure" in Romania.

If not, what are the conditions for an event to qualify as "force majeure" in your jurisdiction?

The Romanian Civil Code defines force majeure as any external event which is unforeseeable, absolutely unavoidable and insurmountable. Whether an event or circumstance qualifies as "force majeure" must therefore be determined on a case-by-case basis. Note that the event must be *absolutely* unavoidable and insurmountable, which means that no one (acting with the standard of a prudent and diligent person) could have avoided or overcome such event.

What key measures (e.g. state of emergency, restrictions on travel/work etc) have been taken in your jurisdiction to fight COVID-19?

Romania declared a state of emergency on 16 March 2020, which was subsequently extended on 16 April 2020 by a new 30-day period. The state of emergency was then replaced in mid-May with a "state of alert", in which restrictions were relaxed.

During the two-month state of emergency, a number of restrictions applied affecting the free movement of people (i.e. travel outside of one's home was permitted only with a signed affidavit, and only for restricted/limited purposes), full operation of businesses (i.e. working from home became the norm, and only those businesses where individual work was not susceptible to a work-from-home structure could continue to operate, under strict epidemiological rules), traveling to and from Romania (i.e. air travel was almost entirely suspended, except for cargo flights, with individuals entering Romania being subject to mandatory quarantine or self-isolation). Malls were closed except for the providers of essential goods such as foodstuff, drugs, animal foods/fodder, etc. Restaurants and the activity of other food business operators was restricted to take-away and delivery and, in fact, many closed for the entire duration. Schools closed and were replaced with online education systems.

Which sectors of activity/industry were most affected by these measures?

The COVID-19 pandemic, and the measures taken to mitigate its effects, affected all businesses and industry sectors in one way or another. Whether to cope with the challenges of working from home and fast-track digitalisation, or to manage layoffs, suspension of contracts or technical unemployment, all businesses needed to take measures to adapt.

The most impacted industries in Romania were the hotel & leisure sector, with many hotel owners already seeking to assess whether they can claim coverage under existing "business interruption policies, companies active in the manufacturing sector, including automotive, malls, restaurants and all such similar businesses dealing with the public and the entertainment industry.

<i>Are there any statutory exclusions from insurance coverage in your jurisdiction? Are they relevant to the COVID-19 pandemic?</i>	While there are some statutory exclusions from insurance, these do not apply or are not relevant to the COVID-19 pandemic.
<i>If the terms of insurance explicitly excluded coverage for claims due to “infectious diseases”, can the insurer rely on that exclusion or does the exceptional nature of COVID-19 affect that exclusion?</i>	In principle, exclusions/limitations expressly included in the insurance contract and acknowledged under signature by the insured/policyholder should continue to be valid and enforceable in accordance with their terms. Where a policy excludes coverage for claims due to “infectious diseases” or similar language, such exclusions should in principle be enforceable irrespective of the exceptional nature of COVID-19. Insurers and insureds alike should analyse, on a case-by-case basis, the wording of any exclusions that may limit or exclude coverage due to pandemic-like events.
<i>Has any legislation been passed, or guidance issued, on COVID-related matters regarding insurance? If so, have they made any difference between consumer and commercial policies?</i>	<p>After the outbreak of the Coronavirus pandemic, the Romanian Financial Supervisory Authority (the “FSA”) announced that it was closely monitoring the insurance market and that communication with regulated entities had been intensified. In particular, the FSA focused on companies having implemented adequate business continuity plans/procedures, and on the degree of transparency shown by such regulated entities to their clients and the market as a whole regarding the estimated impact of the COVID-19 pandemic on their business.</p> <p>The FSA also reiterated EIOPA’s recommendations on measures to mitigate the impact of COVID-19 on the EU insurance sector regarding a deferral of the payment of dividends and other measures that could jeopardise solvency requirements.</p>
<i>Has any legislation been passed for, or has the local regulatory/supervisory authority provided any facilities to the insurance industry in response to the COVID-19 pandemic?</i>	The Romanian FSA has taken a few measures to provide some degree of relief/assistance to the insurance industry in managing the effects of COVID-19. In particular, the FSA allowed the delayed submission of certain reports including the annual financial statements of regulated entities, and the deadline for submission of the 2020 IT audit report required under FSA norms related to the management of operational risks generated by IT systems used by regulated entities has been extended until end of 2020.
<i>How has COVID-19 impacted court procedures involving insurance claims in your jurisdiction?</i>	<p>During the state of emergency, all court proceedings (with very few exceptions, typically involving criminal matters, or interim measures such as securing evidence) were suspended and all hearings scheduled during the relevant period were rescheduled for a later date.</p> <p>During the state of emergency, most terms/deadlines for filing an appeal, challenge or other judiciary procedure or exercising a right (subject to a statute of limitations) were stayed automatically by effect of law.</p>
<i>Due to COVID-19 restrictions, insurance distribution channels are shifting. Are there any specific constraints/limitations in your jurisdiction that an insurer should be aware of for remote/distance selling of insurance?</i>	<p>Romanian legislation regulates in great detail the sale of financial services (including insurance) via remote communication methods, both from a consumer perspective and from an insurance regulatory perspective.</p> <p>From the scope and form of information that needs to be provided to potential clients in the pre-contractual phase, to the technical requirements of, e.g. IT platforms/applications through which insurance can be sold, insurers and other insurance distributors alike need to familiarise themselves with such requirements before they engage in the remote selling of insurance.</p> <p>All customers acquiring insurance via remote/distance selling are entitled to a “cooling-off” period of 14 days from conclusion of the contract, during which they can cancel the contract without any cost to the customer. Data privacy and cold-calling/cold-emailing issues should also be carefully considered.</p>



Russia



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Has COVID-19 been declared as an "event of force majeure" in your jurisdiction?

Yes.

What key measures (e.g. state of emergency, restrictions on travel/work etc) have been taken in your jurisdiction to fight COVID-19?

A state of high alert has been instituted, which is one step before a state of critical situation and two steps before a state of emergency.

April was a non-working month with full salaries paid, with employees asked to remain at home and work remotely to the extent possible.

Critical businesses such as food stores, pharmacies, groceries were open. Courts, public authorities were closed. Most of the regions of the Russian Federation closed their borders to incoming traffic except for food supplies and the like.

Which sectors of activity/ industry have been most affected by these measures?

Retail, restaurants, etc. Banking and finance, transport.

Are there any statutory exclusions from insurance coverage in your jurisdiction?

Only nuclear risks and the intent of the insured.

If the terms of insurance explicitly excluded coverage for claims due to "infectious diseases", can the insurer rely on that exclusion or does the exceptional nature of COVID-19 affect that exclusion?

Subject to the proper and adequate drafting of such exclusions, they should in principle remain valid and enforceable despite the qualification of COVID-19 as an exceptional circumstance.

Has any legislation been passed, or guidance issued, on COVID-related matters regarding insurance? If so, have they made any difference between consumer and commercial policies?

No specific guidance or recommendations have been made. Insurers have been urged to continue providing their services to the maximum extent possible, but no formal guidance has been issued regarding, e.g. claim payments or coverage evaluation.



Has any legislation been passed for, or has the local regulatory/ supervisory authority provided any facilities to the insurance industry in response to the COVID-19 pandemic?

Certain measures have been implemented allowing for an extension of reporting deadlines and other regulatory relief, e.g. delaying administrative sanctions for breaches of insurance regulations, is available.

How are court procedures involving insurance claims affected by the COVID-19 pandemic in your jurisdiction?

In-person proceedings before Russian courts were suspended during the state of alert. This means that all court cases (including proceedings in insurance claims) were postponed during this period.

Due to COVID-19 restrictions, insurance distribution channels are shifting. Are there any specific constraints/limitations in your jurisdiction that an insurer should be aware of for remote/distance selling of insurance?

There are no specific restrictions regarding remote/distance selling of insurance products. On the contrary, the government has recently allowed intermediaries to be involved in online sales of insurance products to facilitate insurance distribution during the pandemic. However, only insurers can issue insurance policies in electronic form.

Slovakia



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Has COVID-19 been declared as an "event of force majeure" in your jurisdiction?

There has been no formal declaration of the COVID-19 pandemic as an event of "force majeure". It depends on the individual circumstances in each particular case whether COVID-19 qualifies as an event of force majeure under Slovak law.

If not, what are the conditions for an event to qualify as "force majeure" in your jurisdiction?

Force majeure is an external event that is unforeseeable and unavoidable, despite all efforts being made to overcome it. The definition requires that the event be external and independent of the parties' will or conduct, unforeseeable on the date the obligation was contracted, and that such event objectively prevents a party from performing its obligations. The definition is important in the context of contractual obligations generally, and regarding liability for damage, more specifically.

In Slovakia, two separate acts regulate force majeure: (1) the Commercial Code, which applies to B2B transactions, and under which it is possible to regulate force majeure clauses; (2) the Civil Code, which applies to B2C transactions, and under which force majeure clauses cannot be excluded.

What key measures (e.g. state of emergency, restrictions on travel/work etc) have been taken in your jurisdiction to fight COVID-19

Slovakia adopted several emergency measures in the wake of COVID-19, affecting freedom of movement, business operations, cross-border travel, education, healthcare, social services and other sectors. These measures included:

- A ban on retail operations and the sale of services, with listed exceptions (retail and services operations with the surface up to 300 m², grocery shops, pharmacies, pet food and other supplies, glasses, contact lenses and related goods, newspapers, magazines, etc.).
- Travelling to Slovakia is subject to applicable quarantine measures and medical reporting rules.
- School closures and a ban on public gatherings.
- Use of remote methods of working inasmuch possible if employees can work from home and limitations on the scope of work which is considered indispensable for maintaining the operations of the employer.

Which sectors of activity/industry have been most affected by these measures?

Most sectors of activity/industry in Slovakia have been in one way or another affected by the measures taken to fight COVID-19, as the majority of businesses across all sectors were interrupted. According to a recent analysis by Euler Hermes, transportation, automotive, electronics and retail operations have been generally most impacted, and this also applies to Slovakia.

<p><i>Are there any statutory exclusions from insurance coverage in your jurisdiction? Are they relevant to the COVID-19 pandemic?</i></p>	<p>Yes, certain statutory exclusions apply, e.g. in compulsory motor third-party liability insurance. However, there are no existing or planned statutory exclusions from insurance coverage due to COVID-19.</p>
<p><i>If the terms of insurance explicitly excluded coverage for claims due to “infectious diseases”, can the insurer rely on that exclusion or does the exceptional nature of COVID-19 affect that exclusion?</i></p>	<p>If the terms of insurance explicitly excluded coverage for claims due to “infectious diseases”, the insurer can, <i>stricto sensu</i>, rely on that exclusion. None of the published crisis measures adopted by the government affects the enforceability of existing (insurance) contracts.</p>
<p><i>Has any legislation been passed, or guidance issued, on COVID-related matters regarding insurance? If so, have they made any difference between consumer and commercial policies?</i></p>	<p>No specific guidance or legislation have been issued to the insurance market regarding COVID-19.</p> <p>However, the National Bank of Slovakia (the “NBS”) has followed the EIOPA statement on actions to mitigate the impact of COVID-19 on the EU insurance sector and recommended that insurance companies and pension companies refrain from paying dividends and other measures that could jeopardise their capital resilience. The objective is that, given the current situation, insurance and reinsurance undertakings temporarily suspend the payment of dividends and do not redeem shares to remunerate their holders.</p>
<p><i>Has any legislation been passed for, or has the local regulatory/ supervisory authority provided any facilities to the insurance industry to address the COVID-19 pandemic?</i></p>	<p>Slovakia adopted Act No. 67/2020 Coll. on extraordinary financial measures related to COVID-19 (the “COVID-19 Act”), which includes several provisions applicable to entities supervised by the National Bank of Slovakia (the “NBS”), including those active in the insurance industry. These measures include:</p> <ul style="list-style-type: none"> — An extension of time limits for acts or obligations arising from special regulations to supervised entities, if circumstances related to the duration of the pandemic prevent them from being fulfilled. — Communication with the regulator to take place electronically: during the pandemic, supervised entities may submit to the NBS applications, statements or appeals electronically with a qualified electronic signature through the central public administration portal.
<p><i>How has COVID-19 impacted court procedures involving insurance claims in your jurisdiction?</i></p>	<p>No insurance-specific measures have been taken regarding court procedures.</p> <p>However, please note that statutory/court deadlines for the performance of procedural acts in court proceedings by parties have been suspended; a few exceptions include some criminal proceedings and matters which cannot be delayed, e.g. those endangering life, health, safety, liberty or which could cause material harm to an involved party.</p>
<p><i>Due to COVID-19 restrictions, insurance distribution channels are shifting. Are there any specific constraints/limitations in your jurisdiction that an insurer should be aware of for remote/distance selling of insurance?</i></p>	<p>There are no new specific constraints/limitations on the remote/distance selling of insurance.</p>

Ukraine



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Has COVID-19 been declared as an "event of force majeure" in your country?

Ukraine did not declare the COVID-19 pandemic an event of "force majeure" per se.

If not, what are the conditions for an event to qualify as "force majeure" in your jurisdiction?

To be able to avoid liability for a failure to perform due to the COVID-19 pandemic, it must be proved that an entity was unable to meet its contractual/statutory obligations due to the quarantine.

What key measures (e.g. state of emergency, restrictions on travel/work etc) have been taken in your jurisdiction to fight COVID-19?

The Government imposed a regime of the "state of emergency situation", which is distinct from a "state of emergency" in that the latter is regulated by law, while the former is not. As a matter of fact, the majority of businesses (other than critical ones) suspended operations or closed down, individuals were required to self-isolate, avoid all but necessary travel, and avoid gatherings in groups of more than two adults.

Which sectors of activity/industry in your country are most affected by these measures?

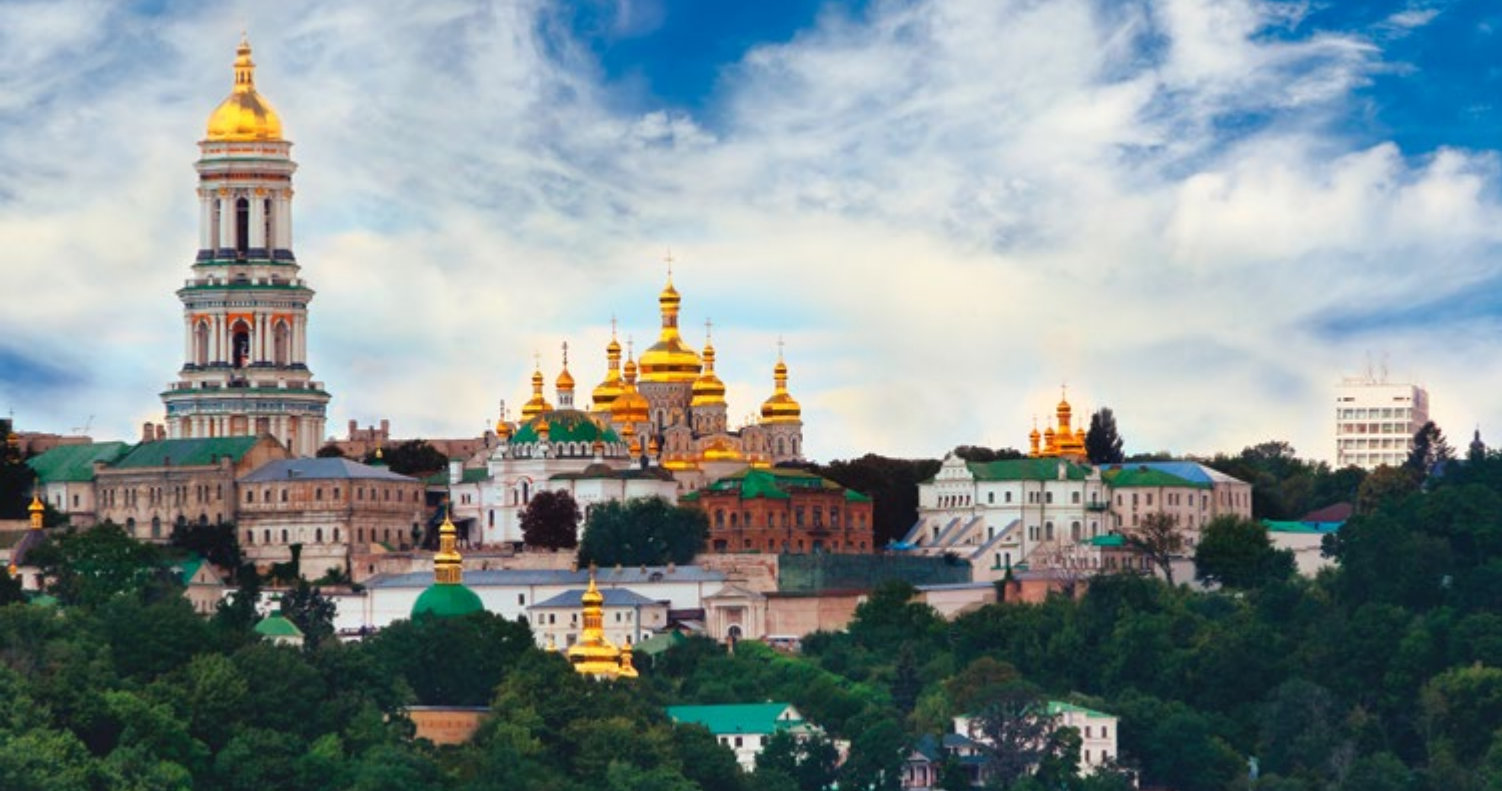
The most severely affected industries in Ukraine have been HORECA, retail, transport, education, as well as any other public-facing industries and those that heavily depend on retail.

Are there any statutory exclusions from insurance coverage in your jurisdiction? Are they relevant to the COVID-19 pandemic?

None that can apply to the COVID-19 pandemic.

If the terms of insurance explicitly excluded coverage for claims due to "infectious diseases", can the insurer rely on that exclusion or does the exceptional nature of COVID-19 affect that exclusion?

To the best of our knowledge, there were no precedents where the Government attempted to bend insurers into forcing them to accept liability contrary to the terms of the insurance policy. However, some categories of insurance, such as typical medical insurance, would normally contain an exception clause related to a pandemic. Given the designation of COVID-19 as a pandemic by the World Health Organisation, such contractual exceptions are likely to be used.



Has any legislation been passed, or guidance issued, on COVID-related matters regarding insurance? If so, have they made any difference between consumer and commercial policies?

Apart from the general recommendation of the National Financial Services Commission, which oversees the activity of insurers, advising that insureds carefully study any force-majeure clauses and similar exclusions in their insurance policies to assess whether the pandemic does or does not qualify as a force-majeure event, or is or is not an exception from the policy. There is no difference between consumer and commercial policies.

Has any legislation been passed for, or has the local regulatory/ supervisory authority provided any facilities to the insurance industry to address the COVID-19 pandemic?

The Ukrainian insurance industry can benefit only from the general legislative relief offered by the Ukrainian Parliament/Government aimed at supporting businesses during the quarantine. No specific legislative acts have been taken to support the insurance sector.

How has COVID-19 impacted court procedures involving insurance claims in your jurisdiction?

There is no substantial difference between insurance claims and other categories of claims in Ukraine. The Ukrainian judiciary officially continued to work, but hearings in person have been limited to very specific cases (mostly related to criminal offences). All other cases have been either rescheduled to later dates or, if the courts and all of the parties concerned can comply with all of the technical and legal requirements, heard by videoconferencing.

Due to COVID-19 restrictions, insurance distribution channels are shifting. Are there any specific constraints/limitations in your jurisdiction that an insurer should be aware of for remote/ distance selling of insurance?

Electronic insurance policies were legal and quite popular in Ukraine well in advance of the COVID-19 pandemic; hence, people can use that route. Alternatively, the paper versions of the same can be signed in the regular fashion. The insurer and the insured can exchange signed paper forms of the insurance policies through regular mail or courier services. The latter work as usual in Ukraine.



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