

## COVID-19

– Measures taken by the Austrian government –

### **1) Restrictions in the field of Public Law (1<sup>st</sup> COVID-19-Act and 1<sup>st</sup> COVID-19-decree)**

On March 12, the Austrian Federal government enacted provisions that prescribed restrictions for the free movement in the public area. According to these rules, leaving the place of residence is forbidden except for a number of limited reasons (work, avoiding imminent danger, spending time alone or with family members and only when keeping distance from others). Therefore, all trade in Austria was (indirectly) restricted to a small number of businesses and service providers. These provisions are set to remain in force until the end of April. However, starting on Tuesday April 14, some businesses will have the permit to gradually open up again.

The Austrian government emphasizes that the restricted businesses (restaurants, bars, laundry service, clothes shops etc) have not been closed according to the “Austrian Epidemic Act”. This is because, according to the mentioned Act, businesses who are closed by an authority are entitled to compensation for loss of income (non-fault liability!). Instead, an Emergency fund has been established to help the affected economy during the crisis.

### **2) Suspension/interruption in legal proceedings (2<sup>nd</sup> COVID-2-Act)**

On March 21, another set of rules entered into force:

All time limits and periods in pending proceedings were interrupted (retroactively from mid-March). They start to run again on May 1. An exception can be made by the courts eg. in cases of danger for life and health or severe economic loss.

Prescription of actions has been suspended from mid-March to the end of April. This means that the six weeks of suspension have to be added to the period of limitation.

In order to enable businesses to come through the crisis, the period for filing insolvency was extended (from 60 to 120 days).

### **3) Provisions in the field of Consumer, Banking and Rental Law (3<sup>rd</sup> COVID-19-Act)**

A third act aims at mitigating the consequences of the crisis in the field of Consumer, Banking and Rental Law.

With respect to consumer credits and credits of small enterprises, the German legislator served as a role model. This means that payments in the months of April, May and June are affected in Austria (the same as in Germany).

In the field of Rental Law, the legislator decided to suspend the payments in the months of April, May and June if the delay was caused by Corona-related issues. The outstanding payments are due by the end of 2020 at the latest. In such cases, termination of the contract is forbidden until 2022.

Needless to say, there is a close connection between these measures and the above mentioned Emergency fund.

#### **4) Insurance Contract Law**

No specific provisions have been enacted in the field of Insurance Contract Law. Suggestions to suspend the payments of the policyholder or at least to ban the insurer from terminating the contract in cases of delay in payment due to Corona-related difficulties have not been taken up by the legislator.

As in other countries, in many branches such as travel or (sometime) business interruption insurance, pandemic risks are excluded from coverage in Austria. Apart from that, as in other countries (see the discussion), similar topics in connection with business interruption insurance arise.

Another topic which is intensely discussed is whether the insurance premium has to be paid during the time the business has to remain closed according to legal provisions (see above).

General topics like pre-contractual information duties (health and life insurance) are also discussed. However, it seems to me that these topics are less important in practice.