



Gallagher Coronavirus (COVID-19) Client FAQs

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Question Topics

Latest Information
About Coronavirus

Key Coverages & Policies

Business Continuity Planning

Latest Information About Coronavirus

Questions	Guidance
Where can I go to find official information on COVID-19?	<ul style="list-style-type: none">• The World Health Organization (“WHO”)• Australia Department of Health• Public Health Organization of Canada• US Centers for Disease Control and Prevention (“CDC”)• UK Department of Health and Social Care• Singapore Ministry of Health
What steps can I take to protect myself and others?	<p>The WHO’s primary recommendation for the general public includes hand and respiratory hygiene, safe food practices as follows:</p> <ul style="list-style-type: none">• Frequently clean hands by using alcohol-based hand rub or soap and water;• When coughing and sneezing cover mouth and nose with flexed elbow or tissue – throw tissue away immediately and wash hands;• Avoid close contact with anyone who has a fever or a cough;• The consumption of raw or undercooked animal products should be avoided. Raw meat, milk or animal organs should be handled with care, to avoid cross-contamination with uncooked foods, as per good food safety practices;• If you feel ill or have even one “cold-like” symptom, avoid contact with other people;• If you suspect or know you have been exposed to a person with a fever or dry cough, isolate yourself from others and monitor your symptoms. Check the local healthcare websites listed above for direction on next steps.

Key Coverages & Policies

Questions	Guidance
<p>What coverages or insurance policies will cover my business?</p>	<p>While there may be limitations in available coverages, you should review the following policies with your insurance broker:</p> <ul style="list-style-type: none"> • Workers' compensation • General liability • D&O • Management liability • Property • Business interruption • Travel accident • Pollution
<p>Can workers' compensation be triggered in the event employee illness?</p>	<p>Compensability for workers' compensation will likely come down to whether or not the disease/illness is considered occupational. In order for it to be compensable, the disease would have to be contracted during the course of employment and due to conditions specific to the employee's work, e.g., occupations in Healthcare treating infected coronavirus patients or first responders who transport sick individuals to hospitals or healthcare sites. Otherwise, a communicable disease that affects the public will not usually be considered a workers' compensation claim.</p>
<p>Will general liability insurance be triggered if a non-employee gets ill?</p>	<p>Commercial general liability policies provide coverage for injury to persons (other than your employees) and damage to property of a third party for which you are legally liable. Liability for such injury or damage involving the coronavirus or a similar health emergency will arise chiefly out of a failure to protect others and their property against exposure to infection. Other claim scenarios can emerge based the type of business or on fear of contamination that could become problematic if no actual injury or damage occurs.</p> <p>Many liability policies have some form of pollution exclusion that relates to the escape, release or dispersal of "contaminants or irritants" of any kind. Careful review of the policy's coverage terms and conditions will be necessary to determine whether the exclusion applies. Additionally, umbrella and/or excess liability policies will contain a separate pollution exclusion, and may also contain a communicable disease exclusion. How the insurance industry responds to the first claims will create a precedent that other carriers will likely follow.</p> <p>Pollution policies (or coverage endorsements) may reveal opportunities for payment of clean-up costs for contamination by virus.</p>

Key Coverages & Policies (continued)

Questions	Guidance
<p>Will my property policy cover contamination at my jobsite caused by coronavirus?</p>	<p>Standard property policies requires the occurrence of physical loss or damage to covered property, by an insured peril to trigger coverage. Contamination of property at an insured's location may constitute physical loss or damage, yet policy exclusions for pathogenic organisms, viruses and disease or illness causing agents may restrict or exclude coverage. Many traditional property policies may exclude contamination altogether, especially those written for an insured who has no apparent exposure to contamination loss in the ordinary course of their business.</p> <p>Limited available coverage for communicable or infectious disease may be offered on some property forms. This coverage is likely sub-limited and narrow in its coverage scope. Covered costs may include cleanup, removal and disposal of contaminated property. Any business interruption extension is not likely to apply to locations that are not owned or operated by the insured.</p>
<p>Will my management liability coverage be activated?</p>	<p>Management liability insurance must be evaluated on a case-by-case basis as the coronavirus threat is monitored. Many companies have made disclosures that coronavirus has caused disruptions in production, staffing and sales. As the economic effects of the pandemic become more apparent, stakeholder suits may emerge alleging lack of preparedness or negligent response to the emergency impairing financial performance or equity.</p> <p>Employment practices liability policies may be impacted by employees quarantined or unable to work and seeking accommodations or leaves of absence. It is unclear whether quarantine gives rise to obligations under FMLA or ADA. You should seek assistance of employment counsel for development and communication of policies that accommodate work locations for remote employees.</p>
<p>Can my D&O policy be triggered in the event of lawsuits?</p>	<p>We may begin seeing coronavirus-related D&O claims, specifically securities class actions by shareholders to the extent that these disclosures cause a stock drop or derivative actions brought alleging mismanagement. Commonly, D&O policies can include limitations on coverage for illnesses and for bodily injury and these limitations may be more general in their exclusions.</p>

Questions	Guidance
<p>Is there a business interruption policy that will cover loss due to COVID-19?</p>	<p>For business interruption coverage to trigger, physical loss or damage must generally occur on the insured's premises. Business interruption extensions like contingent business income, ingress/egress, loss of attraction and even civil authority claims all require physical loss or damage by a covered peril. Further property policies may address denial of access, yet are subject to policy exclusions for pathogenic organisms, viruses, and disease- or illness-causing agents.</p> <p>Most traditional property insurance policies will not respond to claims resulting from slowdowns or shutdowns due to the spread of a pandemic.</p>
<p>As a nonprofit, how can I manage risk for employees and for the public we serve? What is our third-party risk associated with this virus?</p>	<p>Institutions with physical contact with their constituents should follow rigorously enforced protocols relating to hygiene from healthcare professionals. Training of personnel regarding known pragmatic guidance from health experts can be helpful in managing risks. A solid business continuity plan that is followed is your best action. Third-party risks associated with the virus will likely relate to failure to exercise the appropriate degree of care, inadvertent or deliberate exposure to infection by a sick employee, the failure to report or quarantine sick employees or constituents, and the failure to follow civil authority instruction could create liability.</p>
<p>How does my insurance policy address government travel advisories? Will my coverage be waived if our employees travel against these advisories?</p>	<p>The U.S. Department of State has increased the level of risk for travel to certain countries and continues to update its advisories as they monitor the threat. Some countries have instituted preventive measures for travelers and require medical clearance before the traveler is permitted to enter the country. Some countries are implementing other measures, including a health quarantine.</p> <p>As of early February, carriers and underwriters are no longer including the threat of coronavirus as a covered trigger for evacuation, cancellation and interruption benefits. Even the "cancel-for-any-reason" policies available in the market have excluded the coronavirus from their covered triggers. These policies will only cover a traveler who actually contracts the virus. Therefore, it is critical that you discuss this with your risk management team to determine the potential threat before you or your employees decide to travel.</p> <p>24/7 travel assistance services are still available for travelers around globe to assist in booking passage home at the cost of the traveler.</p>

Business Continuity Planning

Questions	Guidance
What should I do if an employee becomes ill?	If you suspect that an employee has contracted COVID-19 you should immediately ask the employee to leave the premises and direct them to see their doctor. Then, alert the Communicable Disease division of your state's health department and get direction on the specific actions you should take to clean office spaces, quarantine potentially impacted employees and implement your crisis response plans.
How can I protect myself from a supply chain disruption? What should I do if there is a breakdown in my supply chain?	Identify critical elements of your supply chain, review agreements with any member of that chain who could be affected by the virus, and communicate with them about their status to minimize any disruption. This could include outsourcing and reciprocal agreements with competitors who may be looking for similar responses to interruptions. Work with your supply chain partners to ensure a back-up plan should there be a breakdown along the line.

Questions

Guidance

What should my business continuity plan include?

Your continuity plan should include the measures you will take if employee(s) becomes ill or are impacted, how to accommodate employees who don't feel safe working in a communal space or whose home life may be impacted if schools or childcare centers are closed. It should also include a plan to address any employee who is at risk of infection while traveling in quarantined areas.

Identify critical people, process and technologies that have the biggest negative impact on your business and create recovery strategies to minimize any disruption. This could include outsourcing, allowing more flexible teleworking options or developing commuting alternatives for your employees if public transportation is not available.

Will there be an increase in other threats as the virus continue to spread?

One area you want to monitor carefully are your cyber and technology protections as hackers may use a pandemic as an opportunistic time to attack. Remind your employees to be aware of click-bait email that come from an unrecognizable source, to be diligent when downloading information about the virus and to never give out personal information online on social media or via email and text. Additionally, ensure your employees have proper protections and security in place if they are telecommuting.

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