



BKS
PARTNERS
INSIGHT BEYOND INSURANCE

BUSINESS INSURANCE & CORONAVIRUS:
HOW WILL YOUR POLICIES RESPOND?

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PRESENTERS



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AGENDA

- PROPERTY/BUSINESS INTERRUPTION
- LIABILITY INSURANCES
- WORKERS' COMPENSATION
- MITIGATION

DISCLAIMER

- POLICY LANGUAGE
- JURISDICTON
- CASE LAW
- INSURERS WILL NOT CONFIRM COVERAGE FOR HYPOTHETICALS
- WE CAN'T CONFIRM OR DENY COVERAGE

PROPERTY & BUSINESS INTERRUPTION



Typically requires a physical loss or damage caused by an insured peril

Diseases and viruses are not insured perils



PROPERTY &
BUSINESS
INTERRUPTION

EXAMPLE:

A manufacturer is unable to operate due to 35% of workers being sick.

- No coverage

You're a vendor for the NBA and are effective by the season postponement.

- No coverage



PROPERTY & BUSINESS INTERRUPTION

EXAMPLE:

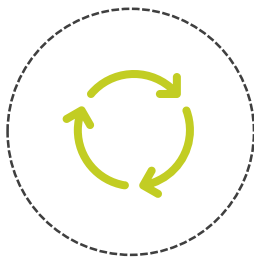
A senior living center has been cordoned off by police and only key employees and medical staff may enter.

- Civil authority coverage still needs a covered peril

CONTINGENT BUSINESS INTERRUPTION



Provides insurance for financial losses resulting from disruptions to a business's customers or suppliers, usually requiring that the underlying cause of damage to the customer or supplier be of a type covered with respect to the business's own property.



Requires a covered peril to trigger.



CONTINGENT BUSINESS INTERRUPTION

EXAMPLE:

US manufacturer relies on special spring made from Wuhan China and has not received a shipment in 5 weeks. Causing \$1M lost revenue per week.

- Not covered- Needs a covered peril to trigger coverage

PROFESSIONAL LIABILITY



Protects against damages that the health care provider is required to pay for bodily injury arising out of the provision of, or failure to provide, medical services and to defend against such allegations.



Dependent on policy language
Potential defense based on certain allegations



PROFESSIONAL LIABILITY

EXAMPLE:

Multiple residents at a senior living center contract Coronavirus and pass away. Suit is brought forth for negligence among other allegations.

- Dependent on policy language
- Potential defense based on certain allegations

GENERAL LIABILITY



Businesses could face claims by infected guests that they allegedly failed to exercise reasonable care in guarding against, or warning of, the risk of exposure to coronavirus.

GENERAL LIABILITY



EXAMPLE:

Server coughs in direction of a guest. That guest later is diagnosed with Coronavirus and files a claim for damages.

- Dependent on policy language
- Potential defense based on certain allegations

DIRECTORS & OFFICERS LIABILITY



A company's directors and officers may be subjected to shareholder lawsuits alleging that their unreasonable actions (or inaction) in response to coronavirus or other infectious disease epidemics caused the company economic loss.

D&O LIABILITY



EXAMPLE:

Company disregards CDC warnings and sends employees to Wuhan, China on business. When they return, they transmit virus to large portion of workforce and revenue decreases.

- Dependent on policy language
- Potential defense based on certain allegations

WORKERS' COMPENSATION

QUESTION: COULD COVID-19 BE CLASSIFIED AS "OCCUPATIONAL ILLNESS" & TRIGGER WC COVERAGE?

Two conditions must be satisfied for illness or disease to be compensable under WC:

- The illness must be occupational meaning it "arose out of and was in the course and scope of employment"
- The illness or disease must have been derived by conditions distinctive to the work conditions

Condition 1: Course and Scope of Employment

- Was the employee advancing the business interests of the employer at the time of exposure?
- Mandatory travel to, or permanently stationed in, high risk exposure areas?
- Healthcare workers have the greatest risk
- Subject to varying state laws

Condition 2: Distinctive to Work Conditions

- Disease is exclusive to a certain field/industry (coal miners, etc.)
- Increased exposure to the disease due to working conditions

ANSWER: Not Likely

Despite its increasing attention, it is no more occupational than the flu



WORK COMP

EXAMPLE:

A registered nurse who cares for patients daily in a nursing home facility contracts Coronavirus from a patient who tested positive for the disease

- Likely Compensable



WORK COMP

EXAMPLE:

An office employee at a manufacturing plant attends a gathering over the weekend and is in contact with the disease. She begins exhibiting symptoms on Monday morning at work.

- Not Compensable



WORK COMP

EXAMPLE:

An administrative employee of a hospital, who does not interact with patients as part of her normal working conditions, tests positive for the disease.

- Compensability would depend on a variety of factors considered by the court of jurisdiction

MITIGATION

- FOLLOW CDC, WHO, AND/OR GOVERNING BODIES
- CLEAN PREMISES
- KEEP STAFF INFORMED OF DEVELOPING INFORMATION
- REPORT CLAIMS WHEN IN DOUBT
- DOCUMENT COMMUNICATION & ACTIONS

TAKEAWAYS

- COVERAGE IS HIGHLY DOUBTFUL
- WHEN IN DOUBT, REPORT THE CLAIM
- FOLLOW CDC RECOMMENDATIONS
- DOCUMENT ACTIONS TAKEN



ADDITIONAL
RESOURCES

The screenshot shows the BKS Partners website header with the logo and the title "IMPORTANT INFORMATION REGARDING CORONAVIRUS | COVID 19". Below the header, there is a paragraph of text and a list of three news items. The main content area is divided into two sections: "UP TO DATE INFORMATION & RESOURCES FROM CDC" and "COVID 19 GLOBAL CASES BY JOHNS HOPKINS". The CDC section features a search bar, a "Coronavirus Disease 2019 (COVID-19)" heading, a 3D virus model, and several informational boxes with "Click here to launch" buttons. The Johns Hopkins section displays a world map with red markers, a "43,141" case count, and a "1,018" case count, with a "Click here to launch" button.

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IMPORTANT INFORMATION REGARDING CORONAVIRUS | COVID 19

The Coronavirus Disease, officially COVID-19, has become a global health emergency. The CDC continues to report additional cases identified throughout the United States. Get the latest updates on the Coronavirus from the CDC here.

We are continuing to monitor the situation, evaluating the impacts to your insurance programs and preparing resources to help you prevent and control possible spread of the virus. Be on the lookout for email updates from BKS Partners regarding the Coronavirus Outbreak. View previous updates below.

- News You Can Use: OSHA Releases Standards for Mitigating Worker Risk and Exposure
- News You Can Use: Resources to Prevent Exposure to Coronavirus (COVID-19)
- News You Can Use: Guidance for Employers to Prepare and Respond to the Coronavirus (COVID-19)

UP TO DATE INFORMATION & RESOURCES FROM CDC

CDC Centers for Disease Control and Prevention
U.S. Department of Health and Human Services

Coronavirus Disease 2019 (COVID-19)

3D Model

Coronavirus Disease 2019

Get information on the latest updates and resources.

What You Should Know

- How to prevent
- Symptoms
- Prevention & treatment
- Testing

Situation Updates

- Global updates
- Cases in the U.S.
- Global situation with COVID-19
- Risk assessment

Information for

- Consumers, clients, and businesses
- Health care professionals
- Health departments
- Travel

[Click here to launch](#)

COVID 19 GLOBAL CASES BY JOHNS HOPKINS

Coronavirus COVID-19 Global Cases by Johns Hopkins CSSE

43,141

1,018

4,340

[Click here to launch](#)

bks-partners.com/bks-partners-covid-19-resources/

ALSO LINKED ON OUR HOMEPAGE



**THANK YOU!
QUESTIONS?**

