

## COVID-19 Risk Management Center

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As developments stemming from COVID-19 unfold, employers are facing unprecedented challenges as it relates to employee safety and health, business operations, and preparing for the future. At Hotchkiss Insurance, we understand these challenges, and we are here to serve you throughout this crisis.

In an effort to help you navigate the current situation with the most up-to-date information, we've compiled a resource library that includes insights from our trusted partners, as well as content we've developed.

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### Risk Management Recommendations, Insurance Insights and Steps to Reduce Your Exposure During the Current and Ongoing COVID-19 Outbreak

#### Below are Communication/ HR Strategies related to the COVID-19 Crisis:

- [Return to Work Guide](#) - This guide from the Council of Insurance Agents and Brokers includes curated information, strategies and ideas on how to effectively make a safe return to work possible. The research compiled is a blend of federal and state guidelines, lessons learned from international companies who have already re-opened their offices, as well as companies in the U.S. who have already put together a process. Access the [Return to Work Guide here](#).

[Return to Work Resources](#) - [View this email](#) for resources and guidance on returning to work.

- [Designate COVID-19 Communication](#) - Information concerning COVID-19 is rapidly changing. It is best practice to designate specific personnel to monitor information and published guidelines surrounding the outbreak from the following organizations: Centers for Disease Control (CDC); World Health Organization (WHO); and any applicable local municipalities. Make sure that the information is distributed throughout your organization and document the release of information. Use caution and avoid adding your personal interpretation of the law or government mandates. It is always best to document materials that your organization is publishing and keep minutes of any formal meetings that take place concerning COVID-19 and your workplace.
- [COVID-19 Response Plan](#) - Have an internal plan for any employee who has been exposed to Coronavirus or has been diagnosed positive for COVID-19. Make the plan easy and communicate the plan on a continuing basis. If employees become sick and expose others in your office, it is important to have a single person control the message to your workforce. It is always recommended that you speak with a legal team concerning information that you can and cannot share due to privacy laws. It may also be a good idea, depending on your company's interaction with the public, to engage a Public Relations firm to help manage the message. To help minimize the exposure of this risk to your employees, you should review and adopt the [Safety and Prevention Guidelines issued from the CDC](#).

# Protecting What's Possible.

- COVID-19 Communication with Staff and Partners - Communicate your company's capabilities and any policies you have put in place to protect your employees, vendors and customers during the Coronavirus pandemic. If an employee becomes sick and exposes customers or vendors to Coronavirus, seek legal counsel for information that your company can release to those potentially impacted. It is also recommended that you engage a Public Relations firm to help manage the message. Remind your employees that they should discuss their concerns with the designated internal contact and that they are not to speak to anyone outside of the organization concerning the sick employee.
- Work From Home - For those employees who have the ability to work from home, use flexibility in allowing this option. For any employee who has tested positive for COVID-19 or has been exposed to someone who has tested positive, make sure they are following the CDC guidelines for self-quarantining and returning to work. It is always recommended that you establish and clearly communicate a "Work from Home Policy" for your employees.
- Notification System - Have a formal "Notification Process" for any employee that becomes sick or is in contact with someone who is sick, such as a family member. Also consider the same notification process for someone who might have the need to willingly increase their potential exposure (i.e.: airplane travel). This process needs to be detailed and your company should have one person — no more than two — in either a Human Resources or Executive role to be the point of contact for the company.
- Business Travel and Events - Establish and communicate a "Business Travel and Events Policy" for your employees. Limit all non-essential business travel and meetings. If your organization is considering cancelling an upcoming event due to COVID-19, we recommend reviewing the contract to determine if it includes a "force majeure" provision that permits cancellation due to situations that are beyond your control such as epidemics, health emergencies or acts of government which would permit the contract to be cancelled.
- Carefully Utilize Technology - During this time it is best practice to limit on-site meetings between your employees and vendors as well as employees and clients. It is highly recommended that you utilize technology when available. If an in-person meeting is unavoidable and a visitor must come to your place of business, ask your visitor if they have known symptoms related to Coronavirus or if they have been exposed to anyone that has been diagnosed positive for COVID-19. Document their responses and maintain the recommended social distance requirements during the meeting. You can also ask that they inform you immediately if they become symptomatic for COVID-19. Reminder: document all your steps of due diligence for future reference.

**Risk Alert!** Information Technology personnel should work to amplify remote work capabilities for your organization. But watch out! Work from home policies could increase your organization's risk to coronavirus-related cyber attacks and email phishing scams. IT staff should address this risk.

- Zoom Update – Recently, the video conference platform Zoom has been the target of cyber attacks. Read about related recommendations [here](#).

## General COVID-19 Property & Casualty Insurance Matters FAQ:

**Q:** When I last renewed my insurance policies with Hotchkiss, my projections did not account for COVID-19 disruptions. I know now that these projections will not be achieved. Is there anything I can do?

**A:** Some policies, such as General Liability and Workers Compensation, have variable annual premiums based on the level of activity of the insured organization. There are cases when mid-term adjustments to exposures could result in decreased monthly premium payments. Please contact your account manager to discuss options that may be available to you.

**Q:** My cash flow has been dramatically affected due to COVID-19 and the resulting decrease in revenue; however, I still have monthly premium payments due. Are insurance carriers making accommodations to delay the billing or due dates of monthly premium payments?

**A:** Many of our carrier partners are implementing unique accommodations directly related to the COVID-19 crisis. Some adjustments include the waiving of late fees, allowing a 60-day extension of due dates, restructuring of remaining amounts due, etc. If you financed your premiums through a finance company, to avoid cancellation, please note it is important to continue making payments unless you have contacted your finance company for alternative arrangements. Many finance companies are waiving late fees. Please contact your Hotchkiss account manager if you are in need of payment restructuring to find out what options may be available from your carrier.

**Q:** My business is continuing to operate as an “essential” business during this crisis. What do we need to consider as our employees continue to interact with the public?

**A:** Organizations that continue to operate through the COVID-19 crisis should adhere to rigorously enforced protocols relating to hygiene and safety from healthcare professionals. It will be critical for your organization to provide training and guidance to manage this emerging risk. Potential threats your organization could face from third-parties will likely relate to failure to exercise the appropriate degree of care, accidental or deliberate exposure to infection by a COVID-19 employee, failure to report or quarantine infected employees or constituents, and failure to follow civil authority instruction, which could all create liability.

**Q:** My business has shut down temporarily due to COVID-19 government mandates and my premise/building is not in use and may be vacant. What should I do?

**A:** Please be aware that most property policies have VACANCY provisions which can substantially reduce certain coverages. If your business has been forced to make these types of closures, please contact your Hotchkiss service representative to share more information about your situation to ensure the necessary coverage considerations are made.

You can access an informative link about ways to protect your building during a temporary closure by clicking [here](#).

## Review/FAQ on How Property and Casualty Insurance Coverage Typically Responds to COVID-19:

**Q:** Where can I get details on how my property and business income coverage works?

**A:** [Click here](#) for an outline of the property and business interruption coverage positions of a number of insurance carriers. This document has been endorsed by the national Council of Insurance Agents and Brokers, which is comprised of the leading insurance carriers and brokers in the U.S. It is a good initial guide to understanding coverage.

**Q:** I carry Business Interruption insurance coverage as a part of my commercial property insurance policy. Will this policy cover COVID-19 related disruptions?

**A:** This insurance provides funds to replace the net income that your organization otherwise would have earned during a period of interruption and continuing operating expenses (non-variable expenses) due to a covered cause of loss. Business Interruption Insurance requires “direct physical damage” to property to trigger coverage. If you decide to file a claim, we believe many insurance carriers will take the position that COVID-19 does not “damage” the building or property, and thereby, will not be triggered for Business Interruption, Contingent Business Interruption or Civil Authority Insurance Coverage.

Your Hotchkiss representative or claim department advocate stands ready to engage in any questions or discussions you would like to have on this topic. We also stand ready to assist you with filing a claim if that is your decided course of action. Please note, this is a rapidly evolving subject with Federal and State legislative developments occurring almost daily. If you have any further questions on this topic, please contact us.

**Q:** Can my Workers Compensation & Employers Liability insurance be triggered in the event of a COVID-19 illness?

**A:** A standard Workers Compensation Policy includes coverage for medical expenses and lost wages from an “occupational disease”. If your employee can establish a direct connection to your workplace as the source of the COVID-19 infection, your Workers Compensation coverage may be triggered. A Foreign Package Policy will broaden the coverage available to employees traveling overseas for business to potentially include coverage for emergency medical evacuation expense in locations with an outbreak of COVID-19.

**Q:** How may General Liability respond in the event that a third-party/non-employee gets sick?

**A:** General Liability Insurance provides coverage for claims by third parties for Bodily Injury and Property Damage arising from your actual or alleged negligence from your premises, operations, work or products for which you are legally liable. This could include an allegation that your organization did not follow infectious disease protocols recommended or required by governmental authorities (such as the CDC) which resulted in a third party becoming infected with COVID-19 and suffering bodily injury or even death. Other claim scenarios can emerge based on the type of business or fear of contamination that could become problematic if no actual injury or damage occurs.

Many General Liability policies have some form of pollution exclusion that relates to the escape, release or dispersal of contaminants or irritants of any kind, or a Communicable Disease Exclusion. Careful review of the policy’s coverage terms and conditions will be necessary to determine whether this or other exclusions may apply.

**Q:** How will my Directors & Officers and Management Liability respond to the COVID-19 crisis?

**A:** Directors & Officers/Management Liability Policies will typically have a bodily injury exclusion since this policy is designed to insure economic loss but there is also a risk of shareholder litigation alleging the decrease of your organization's stock price resulting from your Board, or management, failing to develop adequate pandemic contingency plans or failing to observe infectious disease protocols. Your Hotchkiss Insurance claims advocate stands ready to consult with you about your questions or concerns related to this coverage and is ready to assist you in the claims process.

**Q:** We carry Employment Practices Liability (EPLI). COVID-19 has or will likely cause our company to furlough or lay-off employees. How could this policy respond to these types of COVID-19 responses?

**A:** 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. If you are a current employee benefits client of Hotchkiss, you have access to ThinkHR, an industry-leading human resource advisory service. We recommend consulting with your legal or HR team involving any of these issues. If you are aware of potential claim actions from current or former employees, please contact your Hotchkiss claims advocate.

**Q:** Commercial Auto - My business has evolved following the COVID-19 outbreak and I now have employees driving personal autos for delivery. What do I need to do?

**A:** In light of the unique burdens placed on our restaurant clients, we encourage the use of third-party delivery services like Doordash, Delivery.com, GrubHub and Uber Eats to handle your delivery exposure.

Should that not be a viable solution, please ask your service representative what changes may be necessary to your Commercial Auto Policy. We may be able to attach a Food Delivery related endorsement that could broaden the definition of catering to include deliveries made in lieu of dine-in customers due to restrictions placed by governmental authorities as a result of the COVID-19 virus outbreak. This broader definition should apply for a designated period of time. We will reevaluate events prior to the expiration of the endorsement to determine if the broader definition should be extended further

**Q:** Could this COVID-19 event be covered under my Pollution Insurance policy?

**A:** If your organization purchased Pollution Legal Liability Insurance regarding Pollution events that occur at your locations, coverage for "disinfection costs" may be included to disinfect the presence of COVID-19. The scope of insurance coverage related to COVID-19 may be dependent on the specific facts of a claim and your Hotchkiss team is available to assist you in understanding and maximizing the insurance protection for your organization.

## Review on How Health Insurance Coverage Typically Responds to COVID-19:

### Medical Insurance

Fully insured and self-funded medical plans are required to cover COVID-19 testing at 100% when recommended by a medical professional. Additionally, many fully insured carriers are now waiving cost sharing for the treatment of COVID-19 conditions. Please contact your Employee Benefits account team at Hotchkiss if you have questions about your specific carrier's policy on COVID-19 treatment. Self-funded health plans have the option to also waive cost sharing for treatment; however, the decision to do so should be made in consultation with your Hotchkiss benefits consulting team.

The IRS issued a notice on March 11, 2020 allowing High Deductible Health Plans (HDHP) to cover COVID-19 testing and treatment pre-deductible without losing their HDHP status or favorable tax-treatment status for Health Savings Accounts (HSA). Telehealth can also be covered at 100% without impacting HDHP status.

If a telemedicine program is available, participants are encouraged to use telemedicine services, and in many cases, cost-sharing on these visits is waived for a specified period of time. Some carriers also have 24/7 access to licensed nurses who can assess and assist participants with symptoms at no cost. Most carriers are increasing access to prescription medications and/or temporarily lifting restrictions for maintenance medications for participants in states that have declared a state of emergency due to the virus. Participants should call the customer service number on the back of their ID cards if they require additional medication refills due to a potential quarantine situation.

### Families First Coronavirus Response Act

The Families First Coronavirus Act (FFCRA), which went into effect on April 1, 2020, requires employers to facilitate two new leave benefits:

1. Emergency Paid Sick Leave (EPSL)
2. Emergency Family Medical Leave Act (EFMLA)

Under the FFCRA a "Covered Employer" is generally a private sector company with fewer than 500 employees (exemptions may be available for employers with fewer than 50 employees). An "Eligible Employee" is anyone that has been employed for at least 30 days.

Under the FFCRA an eligible employee is entitled to 10 days or 80 hours of Emergency Paid Sick Leave if the employee:

1. is subject to a Federal, State, or local quarantine or isolation order related to COVID-19;
2. has been advised by a health care provider to self-quarantine related to COVID-19;
3. is experiencing COVID-19 symptoms and is seeking a medical diagnosis;
4. is caring for an individual subject to an order described in (1) or self-quarantine as described in (2);
5. is caring for his or her child whose school or place of care is closed (or childcare provider is unavailable) due to COVID-19 related reasons; or
6. is experiencing any other substantially similar condition specified by the U.S. Department of Health and Human Services.

**Emergency Family Medical Leave** in the FFCRA provides eligible Employees up to an additional 10 weeks of partially paid expanded family and medical leave for reason #5 above: caring for his or her child whose school or place of care is closed due to COVID-19 related reasons. This leave assists employees in a way that regular FMLA does not. It is important to note that EMFLA is not provided in addition to regular FMLA, it is an expansion of eligibility and qualified leave to existing FMLA.

Please keep in mind that if an employee's leave during the COVID-19 crisis is due to sickness or caring for a sick family member they would qualify for Emergency Paid Sick Leave under the FFCRA, and they may request regular FMLA provided they are eligible and work for a covered employer.

Please contact your Employee Benefits team at Hotchkiss for assistance with leave administration considerations and best practices. Each company's situation is different, as are the carrier and plan eligibility requirements for leaves. Our team can provide guidance and access to some of the top resources in the nation to help guide your business through these challenging times.

## **Life Insurance/ Accidental Death & Dismemberment Insurance**

Group life insurance policies do not have policy provisions that would limit a claim payment resulting from COVID-19 provided all other requirements are met. Each claim will be reviewed consistent with policy terms and applicable insurance law. Disease-related deaths are typically excluded under Accidental Death & Dismemberment (AD&D) products.

## **Group Disability Insurance**

Claims for COVID-19 will be evaluated the same as any other illness. As with all claims, they must satisfy the definition of a disability. Each claim will be reviewed consistent with policy terms and applicable insurance law.

Employees under quarantine for COVID-19 that do not have a disabling medical condition are not considered disabled solely due to being quarantined. Employees in quarantine will be evaluated against the terms and conditions of their policy or plan similar to any other confirmed sickness or illness. Some carriers may also offer a Quarantine Rider if certain conditions are met.

Employees who have a confirmed diagnosis of COVID-19 and are under quarantine will be evaluated against the terms and conditions of their policy or plan similar to any other confirmed sickness or illness.

## **Employee Assistance Programs**

Many EAP programs are extending telephonic support to employees and dependents who are experiencing hardship or anxiety due COVID-19. EAP providers have access to a broad range of resources and services to help employees in a time of crisis. The scope of the assistance program related to COVID-19 is specific to the carrier and policy. Your Hotchkiss Insurance team is available to assist you with any additional questions as it relates to COVID-19 or your insurance policies.

## Helpful Third-Party Resources related to COVID-19

### Carrier Links

[Texas Mutual Early Policyholder Dividend Announcement](#)

### Industry Links

[Texas Association of Builders COVID-19 resources for residential construction and developers](#)

[Texas Restaurant Association COVID-19 resources](#)

[Association of General Contractors COVID-19 resources](#)

### Families First Coronavirus Response Act

[Families First Coronavirus Response Act Legal Summary](#)

[ThinkHR FFCRA, DOL Guidance, Expanded Sick Leave and Medical Leave FAQs](#)

### US Government and WHO (World Health Organization) Links

[Department of Labor Families First Coronavirus Response Act FAQs](#)

[WHO Q&A on Coronaviruses](#)

[WHO Coronavirus Disease \(COVID-19\) Advice for the Public](#)

[CDC Interim Guidance for Businesses and Employers to Plan and Respond to Coronavirus Disease 2019](#)

[EEOC What You Should Know About the ADA, the Rehabilitation Act and the Coronavirus](#)

[Department of Labor, COVID-19 or Other Public Health Emergencies and the Family and Medical Leave Act Questions and Answers](#)

### Coronavirus Aid, Relief, and Economic Security (CARES) Act

[Guide to the CARES Act](#)

[Coronavirus Business Relief Options](#)