



BUSINESS INSURANCE

Business Interruption

Many businesses will feel the impact of COVID-19 on their bottom line. That could stem directly from your operations or your suppliers. You likely do not have coverage for loss of income under your business interruption or contingent business interruption policies. For these policies to trigger, you or your dependent locations needs to experience a covered cause of property loss. Most policies have exclusions for virus, bacterial, and other communicable disease.

Workers Compensation

For workers compensation coverage to cover COVID-19, three tests need to be met: 1) an employee contracted COVID-19 during the course of their employment, 2) the source of contraction is determined to be from the workplace, and 3) that COVID-19 is found exclusively among certain employees. An example of where criteria #1 and #2 may be satisfied is in the healthcare industry where workers are coming directly in contact with known COVID-19 patients.

Cybersecurity Risk

With a shift to remote working environments, you may be exposing yourself to increased cyber risks. To help protect against a breach, implement two-factor authentication and encryption of portable devices, use a VPN at all times, USB access should be restricted on laptops, confidential information should continue to be destroyed using proper shredding techniques, and lost equipment or personal devices with access to company email should be reported immediately.

Liability Coverage

Community wide infections like the flu are very unlikely to trigger liability coverage as it is almost impossible to connect the virus to a particular location. Negligence with respect to proper adherence to recommended precautions may trigger coverage whereas deliberate ignorance may not. Nonetheless, insurers will point to standard exclusions for contaminants claims.

Employment Practices Liability Coverage

Layoffs, furloughs, or other workforce reduction strategies deployed by employers may lead to discrimination claims from protected classes. Employers should consult with legal counsel in order to mitigate the exposure to EPL claims.

Directors & Officers Coverage

Given the significant financial impact COVID-19 will have on business, the D&O marketplace will be challenged. The claim could be that the company did not adequately prepare for an event such as COVID-19 or did not take the necessary steps to preserve value. It could be that the directors and officers were negligent in their duties to protect worker safety or adequately supervise their employees.

Policy language and interpretation varies by insurance carrier so please reach out to your CG service team with any questions or concerns.