

Insurance Considerations for **Restarting Your Business**



“What’s Next?” Many of you have been asking yourself this question since March 11th, 2020 when COVID-19 was declared a pandemic. We have been there with you, safeguarding our employees and taking the necessary precautions for business sustainability. As we look to the future to answer the “what’s next” question we wanted to share some insurance information we hope you find useful in restarting your business.

- ✓ **Billing** – We know cash flow is very important to getting your business back to full strength. Let us review your installment plan, renewal date, or any premium deferment plan you have utilized during the last 60 days; to make sure you are aware of future premiums and maximize your resources
- ✓ **Inventory** – How has the pandemic effected your current inventory or how will it be affected for the remainder of 2020. Do we need to lower or increase Business Personal Property (BPP) limits?
- ✓ **Sales** – Your General Liability premium is directly affected by your sales. If preserving cash flow over the short term is the most important part of your strategy and sales are down and will remain depressed; we can lower the current policy estimates which will lower premium. Be advised though that premiums are based on the total sales during your 12-month term, so if you exceed the estimated premium the additional will be due at audit.
- ✓ **Cyber Liability** – Are you relying on the Internet more for your operations? You may want to consider insurance to protect your online operations and electronic data.
- ✓ **Payroll** - Regarding Work Comp, if you paid employees who were furloughed then you need to separate and document this in your payroll records. Your carrier **will not** be charging premium for this payroll, but you must provide adequate documentation that includes names, dates of furlough and amounts paid. Carriers will be utilizing 0012 as the classification code should this help with your record keeping.

If your business has changed drastically and you will not be bringing as many employees back, we can lower your payroll estimates which will lower premium in the same manner as the GL adjustment. The same caveat applies, should the policy period payroll exceed the estimated premium will be due at audit.

We are available to help. While the [CDC](#) and [Department of Labor](#) are providing specialized information regarding the virus and employment standards, we are here to help with specialized insurance situations and Compliance Check Services. While we are only a phone call or [Email](#) away, we also have options to do virtual meetings and flexible hours to accommodate your busy schedule. There is a lot we are facing, and *We Are All In This Together*.

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Virtual Meetings

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Insurance Considerations for **Opening Your Business**

“With regards to my insurance, what can I do to protect my company and my employees once I open my door?”



Employee Perspective

There are many resources available to you for assistance in creating a safe workplace and the requirements as an employer. Regarding your insurance coverage, you want to be aware of the following:

1. Is COVID19 covered by Work Comp? Likely not – while Workers Compensation does provide coverage for Illness or Disease, it must be occupational, meaning that it arose out of, and was in the course and scope of employment.
2. The potential for lawsuits from current and former employees has increased – Employment Practices Liability is the coverage that protects you and we highly recommend it. You can minimize your risk by following recommendations for creating a safe workplace. These include: posting the required [Employee Advisement](#), providing a [COVID19 Preparedness and Response Plan](#) and documenting with a Time & Date Stamp each of these actions.
3. Remember – Health Tracking and Documenting of your employees falls under HIPPA and must be kept confidential
4. The [Families First Coronavirus Response Act \(FFCRA\)](#) is in effect for the remainder of the year, be aware of your employee’s rights
5. An employee contracting COVID19 might be an OSHA recordable event – We can help with these through our Compliance Check Service

Public Perspective

Should you face a lawsuit from someone who claims they contracted COVID19 from your business it is important that you have proper documentation, and you are following the recommendations from [Local](#), [State](#), and [Federal](#) Government. These are the best resources for finding accurate information. Industry specific associations are also great resources for information.

Contact us to file a claim, however you should be aware that your General Liability policy may not provide coverage due to the unique circumstances of a worldwide pandemic. General Liability policies provide coverage for bodily injury caused by an occurrence such as a sudden accident. The injured party would need to prove the spread of the virus was an occurrence and prove that it was contracted at your premises making you legally liable.

The risk of being legally liable increases by not following published recommendations or ignoring executive orders.

Basic Steps to Protect your Business:

- [Workplace Infection Control Practices](#)
- [Proper Use of Personal Protective Equipment](#)
- Proper Employee Health Reporting System
- Customer Facing Signage providing Directions and Warnings