



COVID-19 Actions & Insurance Implications

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Recent News

- Discussions in Congress regarding liability limitations on COVID-19 related legal claims are underway. [Click Here](#)
- An additional \$52bn in loans had been approved by mid-day under the PPP loan program.
- As commercial real estate owners prepare to reopen, some are providing free CDC approved masks and hand sanitizer to visitors. [Click Here](#)
- Airlines are providing masks to travelers with JetBlue mandating use by passengers. [Click Here](#)
- The Small Business Administration will perform "full reviews" of any loans over \$2M before a PPP loan is forgiven. [Click Here](#)
- The Governor of New York has released a 12-part plan for reopening of some parts of the state, though a reopening of NYC does not appear imminent. [Click Here](#)
- The size of federal unemployment benefits complicates efforts to reopen businesses as employees earn less on the job than is granted through the unemployment benefits. [Click Here](#)

Actions & Analysis - Week in Review

- Review the vacant building provisions within your property policies. Some carriers are relaxing rules related to vacancy guidelines and discounting building vacancies which are due solely to governmental closure orders related to COVID-19. Contact your broker for assistance in determining the stance of your particular carrier.
- Look towards sourcing and gathering supplies such as PPE, as preparations for reopening continue across many states.

Many businesses are grappling with issues related to reopening and how to best approach sourcing of supplies and other items needed to engage in safe operations during the rest of 2020. In general, the problems associated with reopening are multi-faceted and require detailed planning and consideration across a variety of planning areas and departments.

First, businesses need to make the decision to reopen and whether reopening can be done in a safe manner. Differences among state guidelines along with differences in infection rates complicate the decision-making process. As a starting point, following the requirements and restrictions of state and local governments serve to establish whether a reopening decision can even be contemplated. Assuming that a building and its tenants are allowed to reopen, then following suggested courses of action from the CDC as well as industry associations is a good next step. The decision to reopen should also be based on whether your building can successfully implement the guidelines for social distancing and other similar sanitation steps recommended by authorities.

As noted in the news items above, many businesses are providing staff, as well as visitors, with protective equipment, masks, sanitation supplies, and similar items designed to reduce the risk of infection. Determining the type and quantity of supplies and services presents the second area of challenge. Addressing increased cleaning and sanitation services should be discussed initially with current janitorial vendors to ascertain the kind and quantity of services they can provide. As for determining the types of protective equipment, what appears to be becoming standard, is some combination of masks, hand sanitizer, and additional protective equipment such as gloves for some personnel. To establish anticipated consumption rates of such equipment, standards should be reviewed about the length of usage for equipment such as masks and gloves by employees. For visitors, especially in a retail setting, estimates of pre-COVID-19 traffic volumes can be the start for the formulation of conservative estimates. Estimates of usage can and should evolve as fewer people will likely be visiting offices and retail centers. However, in the current environment, conservative estimates should be used.

Finally, organizations are faced with sourcing various materials while also making sure to not unintentionally divert needed supplies from hospitals and other medical facilities. For items such as hand sanitizer consider local businesses such as distilleries, who have converted productions away from spirits. Local businesses can provide a shorter and more secure supply chain, while building relationships for the duration of the crisis. With that being said, organizations should look to have at least two, if not three or more suppliers, for any particular kind of equipment, given the scarcity and uncertainty associated with supply chains. Organizations will have to look beyond easy-to-find suppliers and consider alternative suppliers, such as those geared towards shuttered industries or specific niches. Deliveries will likely be made weeks, if not months after ordering; so accurate, if conservative, estimates are a must. And organizations should look to maintain surplus inventories of equipment to last over a week in the event of a supply chain interruption. Otherwise continued operations could be endangered without adequate supplies.

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[Debbie Dorsch](#)
Principal + Owner
(410) 491-2391

[Eileen Hartzell](#)
Principal + Owner
(443) 386-8075

[Jessica Gray](#)
Principal + Owner
(202) 262-4711

[Matthew Fischer](#)
General Counsel, Director of Claims & Risk Management
(443) 353-0559