



COVID-19 Actions & Insurance Implications

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If you missed our Webinar, COVID-19: What the H@!? Do We Do Next? [CLICK HERE](#) for a recording.

Recent News

- Requirements on the PPP program mandating that 75% of funds be directed towards employee salaries have forced some businesses with high rent and other non-payroll costs to close. [Click Here](#)
- The Orange County Economic Recovery Task Force in Florida published preliminary guidelines for the reopening of theme parks in Central Florida. [Click Here](#)
- Recent survey data indicate that nearly 75% of businesses have not yet created a return to work strategy. [Click Here](#)
- Whole Foods stores will provide masks to all shoppers as part of its policy to "request" that all shoppers wear a mask while in the store. [Click Here](#)
- The French government is addressing possible mechanisms for future pandemic insurance coverage. [Click Here](#)
- The Ohio Nurses Association has filed a complaint with OSHA claiming hazardous working conditions related to COVID-19. [Click Here](#)
- Amazon may look to capitalize on the distressed retail leasing sector to expand its physical footprint. [Click Here](#)
- Some real estate firms are planning for the future with opportunities to deploy, available capital likely about a year in the future. [Click Here](#)

Actions & Analysis – Week in Review

- Review recent guidance from the IRS on tax implications of forgiven funds under the PPP. A recent notice from the IRS states that expenses are not deductible if PPP funds are not treated as gross income for tax purposes. [Click Here](#)
- Continue making plans for reopening which take into account the needs and expectations of employees, tenants, and visitors. Some ideas can be found here. [Click Here](#)

Historically, D&O/EPLI insurances require extensive applications and financial data. However, insureds may now need to provide significant amounts of additional information if seeking a quote for higher limits, or if the insured had never previously maintained these coverages in the past.

Below is a summary of the kinds of additional information being sought by underwriters. While an insured may be able to receive a quote without this data, Parallel is finding that increased transparency, especially in situations where insureds have a positive story to share, results in better available terms, conditions, and pricing for organizations. Insureds looking for a strong renewal should be prepared to provide this information upfront and provide their underwriters as much time to review as possible. Parallel has noted the following requirements as indicative of what is being requested by underwriters at this time:

- Information related to the overall impact of COVID-19, especially impacts to revenue, as well as contingency plans currently in place or being implemented.
- Information on current liquidity, compliance with creditor debt covenants, and ability to collect revenue from tenants or customers.
- Information regarding any changes or potential changes to your workforce such as furloughs or other reductions in force. If such reductions have occurred, then information regarding the involvement of outside counsel and the use of waivers as a part of severance packages will be requested.
- If an insured is involved with property management, then information related to plans and measures taken to manage the spread of COVID-19 in those managed properties. Confirmation of compliance with eviction moratoria will also be required.
- Financial information through the end of 2019 as well as for Q1 2020. Such information would also now include investor reports.
- Information regarding rent rolls for all managed assets, including those which are asset managed, property managed, and managing member roll.

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