



# 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

- Insurance industry groups have proposed a taxpayer funded backstop to protect against future widespread shutdowns. [Click Here](#)
- Universal Studios in Florida presented detailed plans for phased reopening. A copy of the plans can be found here: [Click Here](#)
- OSHA issued revised guidelines for reporting incidents of COVID-19. [Click Here](#)
- OSHA is increasing physical inspections and calling for more employers to disclose when employees contract COVID-19. [Click Here](#)
- A wrongful death lawsuit was filed against Tyson Foods, Inc. by the family of a deceased employee who had contracted COVID-19. [Click Here](#)
- A federal suit related to COVID-19 coverage was remanded to state court given the lack of Pennsylvania precedent upon which a federal court could rely upon. [Click Here](#)
- Some jurisdictions are allowing restaurants to set up operations in parking lots, sidewalks, and streets to allow compliance with requirements of six-foot table spacing. [Click Here](#)
- Americans remain divided about how and when to reenter buildings, causing difficulties for landlords and business owners to develop and maintain reopening plans. [Click Here](#)
- Many businesses are adding COVID-19 related surcharges to accommodate additional costs associated with social distancing and sanitation measures. [Click Here](#)
- Additional COVID-19 related stimulus funds appear more likely. [Click Here](#)
- Self-employed workers and sole proprietorships face difficulties with PPP loan forgiveness. [Click Here](#)
- Some carriers may seek to invoke exclusions in D&O policies for COVID-19 related suits. [Click Here](#)
- COVID-19 may spur a rash of new economic risk factors over time. [Click Here](#)

## Actions & Analysis – Week in Review

- Review reopening plans as guidance continues to evolve. Be sure to include signage and develop appropriate social distancing policies. Plans from large companies such as Universal Parks can be used as a reference point. [Click Here](#)

As COVID-19 claims are continuing to be filed, many carriers are issuing correspondence that function as a “reservation of rights.” The letters likely will not have that as a header, but electronic file names may refer to the correspondence as a “reservation of rights” and adjusters as well as others may refer to the correspondence by that term as well. It can be somewhat confusing in that the term is used for different things at different times within the insurance industry. The reason that occurs is because at a basic level, a “reservation of rights” is simply a legal practice meant to avoid the waiver of any legal claims or rights by the author at a later date. Therefore, in an insurance context “reservation of rights” letters can be used in all types of claims and can be sent to a general liability i.e. slip and fall claimant just as it is being issued to policyholders in the current COVID-19 claims context.

In the current context, policyholders should expect a reservation of rights letter from carriers when a COVID-19 related claim is filed. As a practical matter, the letters serve to lay out the carrier’s initial thoughts about the elements of a policy involved with a claim and likely state a position regarding those operative passages or coverages. Instead of being concerned, policyholders, with their brokers and other advisors, should find a reservation of rights letter to be helpful because it establishes the baseline from which the claim will be further adjusted. Given the novel environment in which carriers find themselves, many carriers are continuing to evolve their positions regarding COVID-19 claims and have yet to come to completely final understandings or interpretations of various coverage forms. Thus, the letters also reflect the thought process of the carrier at the current time and allows some flexibility for the carrier to change its position as time progresses. Upon receipt of such a letter, policyholders should review the correspondence and consult with their broker in order to fully understand coverage positions taken by the carrier. For all parties involved, COVID-19 is a learning process, and the reservation of rights letter allows policyholders to learn about the current position of their insurance carriers.

[Claims Processing](#)

[RM Best Practices for Operating Properties](#)

[RM Best Practices for a Construction Operation](#)

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