



COVID-19 Actions & Insurance Implications

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(If you missed our June 4th webinar, Reopening Your Buildings - Let's Get Technical, it will be available soon!)

Recent News

- Modifications to the PPP loan requirements have been made, including reductions on the percentage of funds required to be used for payroll costs, and an extension of the time period for forgiveness to six months. [Click Here](#)
- Funds remain available for PPP loans after an initial rush of applications has significantly dropped in numbers. [Click Here](#)
- A variety of businesses are utilizing written waivers to minimize COVID-19 related liability risk, as posted signs do not offer sufficient protection. [Click Here](#)
- Increases in commercial insurance rates slowed in May. [Click Here](#)
- Business interruption claim calculations, for claims related to looting, will be complicated by already existing COVID-19 shutdowns. [Click Here](#)
- Support for the Pandemic Risk Insurance Act of 2020 is growing among brokers, while other insurance groups push for alternatives. [Click Here](#)
- NYC co-ops face financial struggles with a significant downturn in rental income from retail tenants and others, resulting in assessments and other fee increases. [Click Here](#)
- Company culture may suffer with extended work from home arrangements, resulting in reduced innovation. [Click Here](#)
- An insured alleges that Travelers denied a claim on the grounds of COVID-19 despite significant physical damage to their inventory of fresh flowers. [Click Here](#)
- Bipartisan legislation was introduced in the Senate to limit the use of data associated with COVID-19 contact tracing to address privacy concerns. [Click Here](#)

Actions & Analysis – Week in Review

- Consult your broker about the status of carrier accommodations such as relief related to billing, audits, rates, and vacancy provisions among other considerations.

As government mandated shutdowns related to COVID-19 accelerated throughout the middle of March, many carriers offered various forms of relief to policyholders. Among these forms of relief were the waiver of vacancy provisions, payment deferrals, and delays in audits. Additionally, many jurisdictions also prohibited cancellation of policies during the COVID-19 crisis. However, many of these options for relief have recently ended or will end very shortly. For example, payment deferrals for many carriers were valid through the end of May, and while some may allow further extensions of deferral, specific requests have to be made to the carriers as they are no longer automatic. If no action is taken policyholders may receive invoices for the entirety of all payments not made during the crisis as well as payments regularly coming due. It should be noted that some jurisdictions placed a freeze on cancellations or non-renewals of policies. While those freezes may remain in effect, carriers may still expect payment and policyholders would be wise to thoroughly investigate and determine which policies are voluntary, which require direct requests to the carrier, and which are by operation of law.

Additionally, as landlords continue to work through the process of reopening, some buildings may remain vacant as tenants are slow to return. Landlords should recall that many policies have vacancy provisions in them triggering certain requirements and consequences after sixty or ninety days. Carriers had been waiving such provisions as a result of the government mandated shutdown, but once again policyholders should be aware that voluntary measures by carriers may be expiring in the very near future. Policyholders would be wise to consult with their brokers regarding the status of their policies as well as seeking potential means to address financial issues or other concerns related to their coverage and the expiration of relief measures.

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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