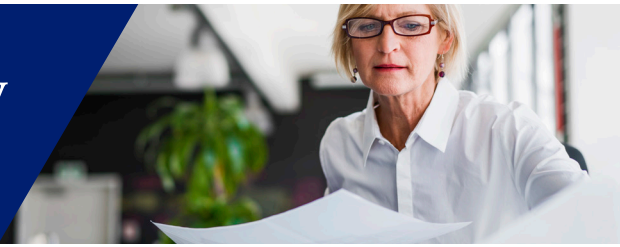


Review Commercial & Voluntary Insurance in Light of COVID-19



The coronavirus (COVID-19) public health emergency is expected to affect organizations and individuals across the globe for weeks to come or even longer. In light of the changes to how organizations are conducting business and where people are now working, it's important to evaluate your current commercial and voluntary insurance coverages. Conducting a formal assessment of these coverages with your carrier(s) can identify where coverage may need to change to provide protection and address various risk exposures.

Another consideration is that some states are issuing new insurance regulations in response to the coronavirus (COVID-19) public health emergency. As these regulations may vary state to state, policyholders with coverages that cross state lines may need to follow more than one set of procedures. Policyholders should watch for advisory notices from insurers about any changes that may affect current policies.

Assessing common insurance coverages

The following chart draws attention to some aspects of each type of insurance to review in light of COVID-19. It also includes observations from Segal's insurance brokers. The types of insurance are listed in order of urgency.

Type of Insurance	Key Questions for Policyholders	Segal's Observations
Cyber liability	Are you using your policy's resources and tools to mitigate risk?	Most carriers provide pre-breach loss prevention risk tools, including online training and other protections while working remotely.
Fidelity bond	Does your policy protect against social engineering?	Cybercriminals are taking advantage of the current environment by increasing social engineering scams. Determine if social engineering coverage is included in your bond. Often, it is applied by endorsement and subject to underwriting.
Property and casualty	Have you notified carriers that you now have remote employees?	Policies vary by coverage and by state. Some may not protect against changes related to COVID-19.
Fiduciary liability	Are your limits sufficient should layoffs or disputes on benefits occur?	Most policies offer full policy limits for administrative errors and omissions that can occur as new regulations emerge. Carefully review policy terms.
Employment practices liability	Does your policy maintain coverage for third-party claims?	As hiring or layoff practices continue to evolve in this environment, exposures can emerge.

Assessing more specialized insurance coverages

If your organization offers any insurance referenced in the chart below, assessments of the coverage are also important. As in the previous chart, the types of insurance are listed in order of urgency.

Type of Insurance	Key Questions for Policyholders	Segal's Observations
Directors and officers	Could your directors, officers or trustees incur costs for suits alleging failure to disclose risk that resulted in losses for the organization?	These claims could be costly to defend. The SEC is encouraging reporting of COVID-19 activities.
Disability	How will short-term disability insurance cover employees' absence from work if they are diagnosed with the virus and must stay home?	Determining if a coronavirus diagnosis or a quarantine related to the pandemic constitutes automatic approval depends on the state. Some policies from certain carriers, however, may carry quarantine terms and conditions.
Event cancellation	Does your policy have coverage for communicable diseases in case an event is cancelled?	Going forward, policies may include exclusions for communicable diseases.
Educators liability	Do you have insurance protection for cancelling educational training programs or outstanding employment offers?	Allegations by an employee, potential employee or third party related to areas with high numbers of COVID-19 cases can potentially trigger coverage under the policy.
Accidental death and dismemberment	How well do you understand the benefits and coverage provided should a loss occur?	Confirm policyholders name a beneficiary for this coverage and understand what comprehensive losses are covered under the policy.
Life supplement	It is beneficial having group life insurance, or life insurance through your employer?	Supplemental life options are often considered above what employers can offer to provide additional protection with underwriters asking more questions.
Employed lawyers	Are your in-house attorneys exposed for the advice they provide on COVID-19?	Review what coverage and limits are in place.
Miscellaneous errors and omissions	Are any changes in services properly reflected on the policy?	If vendors cannot perform services, reviewing contracts with legal counsel may help.

Questions? Contact us.

To discuss an assessment of your organization's commercial and voluntary insurance coverage in light of the COVID-19 public health emergency, get in touch via our website, [segalco.com](https://www.segalco.com), or reach out to Diane McNally, Senior Vice President, Senior Consultant and Principal, at 212.251.5146 or drmcnally@segalco.com.

Although the focus of this guide is commercial insurance, plan sponsors are reminded to examine their other insurance coverage in response to COVID-19. For example, it's important for sponsors of self-insured group health plans to review their stop-loss coverage.