

## COVID-19 ADVISORY

03.05.20

Bollwerk advises its Clients as we look ahead to emerging issues that present Risk to their businesses. While businesses are usually exposed to current, typical risks, we also strive to look further ahead to identify risks before they become apparent to the business community in general.

All business risks can represent an opportunity for business interruption or loss. While insurance is a common choice to transfer the losses away from the Client, Risk Management (RM) is an important part of mitigating a loss before it occurs. RM helps businesses plan for yet-to-be-realized Risk and preemptively prepare for it.

With years of commercial business and RM experience, Bollwerk offers all three degrees of planning to its Clients – Forward-looking Business Risk intelligence, proactive Risk Management, and Insurance.

## COVID-19 RISK TO COMMERCIAL BUSINESSES

Beginning in early January 2020, Bollwerk began watching what is developing into a wide-spreading infection of the COVID-19 virus. Bollwerk is not a medical expert on COVID-19. Instead, Bollwerk's main focus is on the effects of Risk the virus may have on our Clients' businesses. The beginning of the impact on the Hospitality industry is already apparent. However, Bollwerk is advising our Clients to consider what other impacts the Governmental and Public reaction to the virus might mean to their businesses.

Aside from the unique Risks we believe a business might face, the first concern is whether Commercial P&C Policies will offer either virus related liability coverage, or monies for defense. The Commercial P&C Policy must be assessed for its answer to virus liability or loss of income claims, and second, whether claims based upon viral infection are excluded. Assessment is also needed, depending upon circumstances, regarding coverage under Workman's Comp, Bodily Injury by Disease.

However, Bollwerk also is discussing further Risks to business operation and continuation in light of the Governmental and Public/Social aspects of a possible pandemic. The pleasure cruise ship industry was an early indicator of Governmental and Public response. Following the containment and quarantine measures of the Asian bound Diamond Princess Cruise, bookings and stock prices rapidly plummeted. The Governmental actions to contain the virus and the Public fear of the venue brought threats to revenue almost overnight. Lawsuits brought by affected passengers are considered eminent.

In the event of a major pandemic event, businesses could also be affected by Public opinion and Government actions. For these reasons, by the last week of February, Bollwerk looked to the US Governmental planning for a pandemic outbreak. US Government planning and response is governed by the Department of Homeland Security Pandemic Flu National Strategy Plan (DHS-PFNSP). The Pandemic Intervals, milestones within the plan, serve as decision stages for the US departments involved. The detail below, in concert with emerging news reports, shows that as of 3/5/20 the US is at Stage 5 of 6:



Date	Data	Stages
12/31/2019	China reveals pneumonia-like sickness cases circulating in Wuhan	<b>Stage 0:</b> New Domestic Animal Outbreak in At-Risk Country
1/9/2020	WHO reveals 59 people have been reportedly affected by the virus	<b>Stage 1:</b> Suspected Human Outbreak Overseas
1/11/2020	1st person dies in China	<b>Stage 2:</b> Confirmed Human Outbreak Overseas
3/4/2020	<a href="#">Italy to become 1st country to close all schools and universities</a>	<b>Stage 3:</b> Widespread Human Outbreaks in Multiple Locations Overseas
2/22/2020	<a href="#">U.S. Marines and Navy Prepare to Execute Pandemic Plan</a>	<b>Stage 4:</b> First Human Case in North America
3/5/2020	<a href="#">Miami Postpones Ultra Music Festival Amid Coronavirus Concerns</a>	<b>Stage 5:</b> Spread throughout United States
		<b>Stage 6:</b> Recovery and Preparation for Subsequent Waves

The DHS-PFNSP Stages are very wide in nature, with tremendous amounts of underlying documentation that will guide countless individual Governmental decisions, including steps to restrict Public movement and quarantine areas. In addition, disruptions to Supply Chain as well as substantial legal exposures from affected guests are possible. Bollwerk’s primary focus is to advise our Clients of the specific risks we anticipate their businesses could face as Stage 5 continues to develop, conducting business while the degree of the pandemic plays out, and preparation for possible Stage 6 post-outbreak operations.

## PARTNER WITH BOLLWERK

Conducting business in an environment during an outbreak, and post-outbreak operations, remains fluid. Our Clients understand that Bollwerk’s situational awareness, RM practices, and insurance as a (not first or only) line of defense are better than a view of insurance-only and wait-and-see.

The COVID-19 issue is one example of Bollwerk’s early-awareness, forward-thinking, overall approach to Risk. Bollwerk is not offering all of the answers to the current issue, but rather is demonstrating how we approach Risk in general. While there are many Agencies offering business insurance, perhaps you see Bollwerk as a better choice. As an insurance Agency, Bollwerk is paid by standard commission on the Insurance Premium, but our insight, experience and resources are also included.

Our Clients have access to our COVID-19 resources, including specific preemptive operational steps to consider across several Risk classes. If you would like to discuss partnering with Bollwerk, contact us at 877-426-5593 (877-4 BOLLWERK) or visit our website [trustbollwerk.com/covid-19-advisory](http://trustbollwerk.com/covid-19-advisory)

Sincerely,

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