



The Alliance for Nonprofit Growth and Opportunity (TANGO)
2020 Virtual Annual Conference

The Alliance for Nonprofit Growth and Opportunity (TANGO)
2020 Building Bridges Virtual Annual Conference

Emerging Pandemic-Related Insurance Issues And Risks – What You Need To Know

Presented by:
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Agenda

- Hardening Market
- Property & Business Interruption - Update
- General Liability
- Umbrella/Excess
- Specialty Insurance
- Management Liability - D&O and EPLI
- Workers' Comp
- Cyber
- Pandemic Insurance
- Where do we go from here?



Hardening Market

The insurance marketplace for nonprofits is “hardening.” This means increasing premiums (averaging just under 10% through Q2) and stricter underwriting.

COVID-19 is having impact on insurance from Liability to Worker’s Comp to Employment Practices Liability.

The following presentation is to prepare you and your organization for what’s on the horizon.

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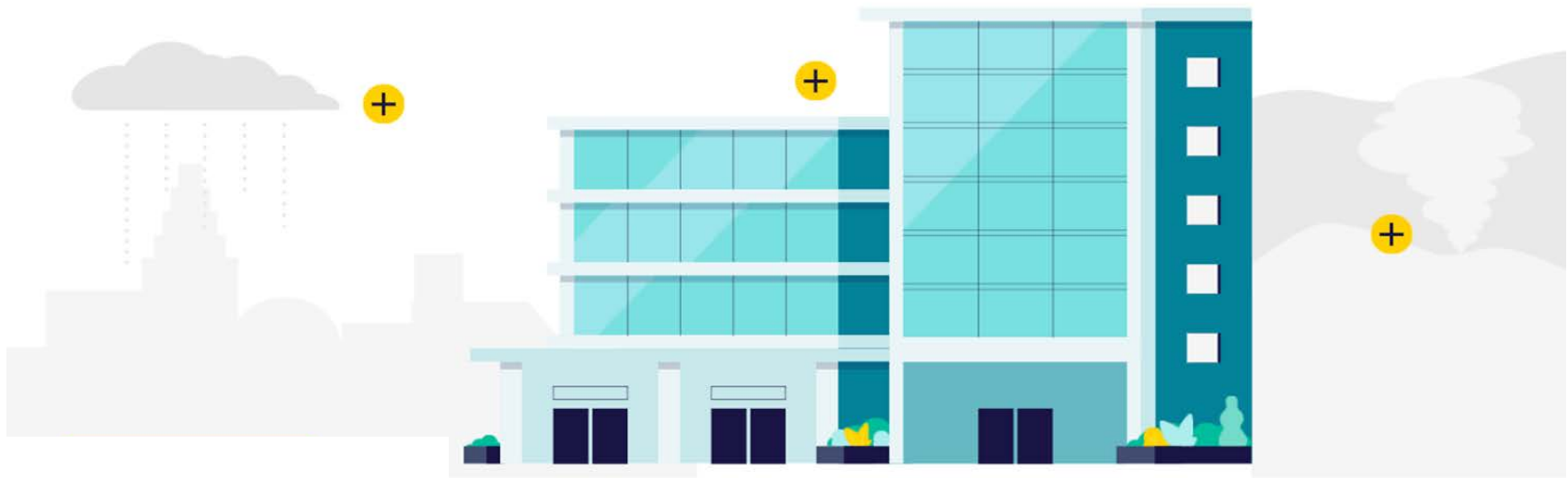
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Property & Business Interruption - Update

Property

The property market will remain firm.

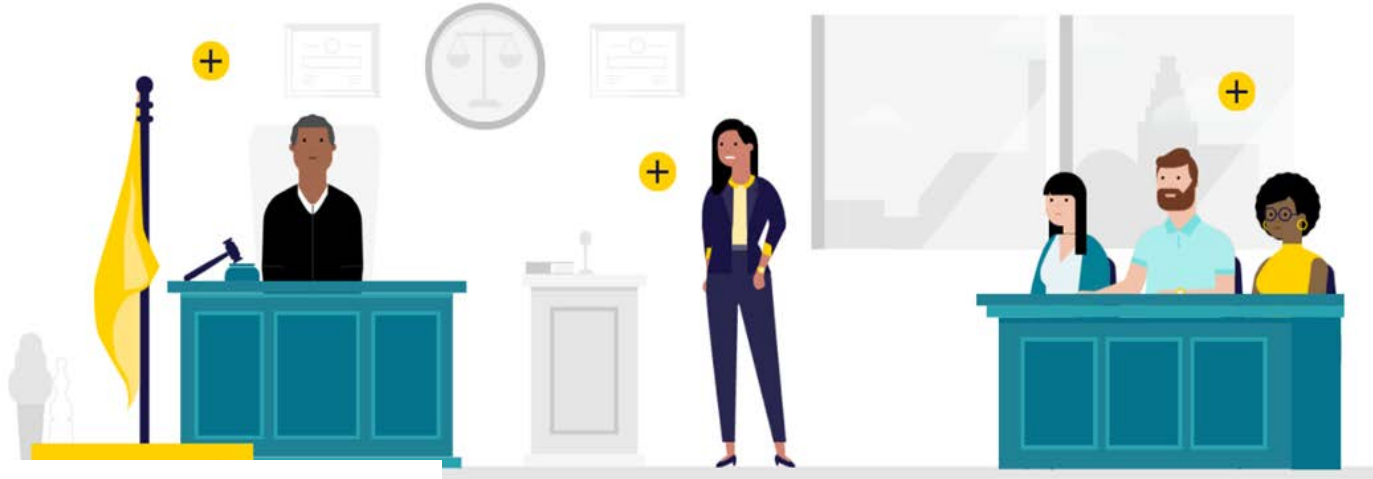


Realistically assess exposures and the market's appetite for them.

General Liability

General liability

Rates remain on an upward trajectory as frequency and severity continue to rise; social inflation continues to have a significant impact.



Understand liability risks and prioritize risk control measures; follow Centers for Disease Control and Prevention (CDC) COVID-19 guidance.

- CG 21 32 05 09 Exclusion
- Review your current policy and renewal to see if you have this exclusion.

Umbrella

Umbrella

COVID-19 will intensify pressure on premium budgets and capacity limits.



Focus on loss-control and business continuity/disaster recovery plans.

- Insurance companies are reducing umbrella limits on renewal.
- Some companies are not covering Abuse and Molestation.
- Rates are increasing significantly.

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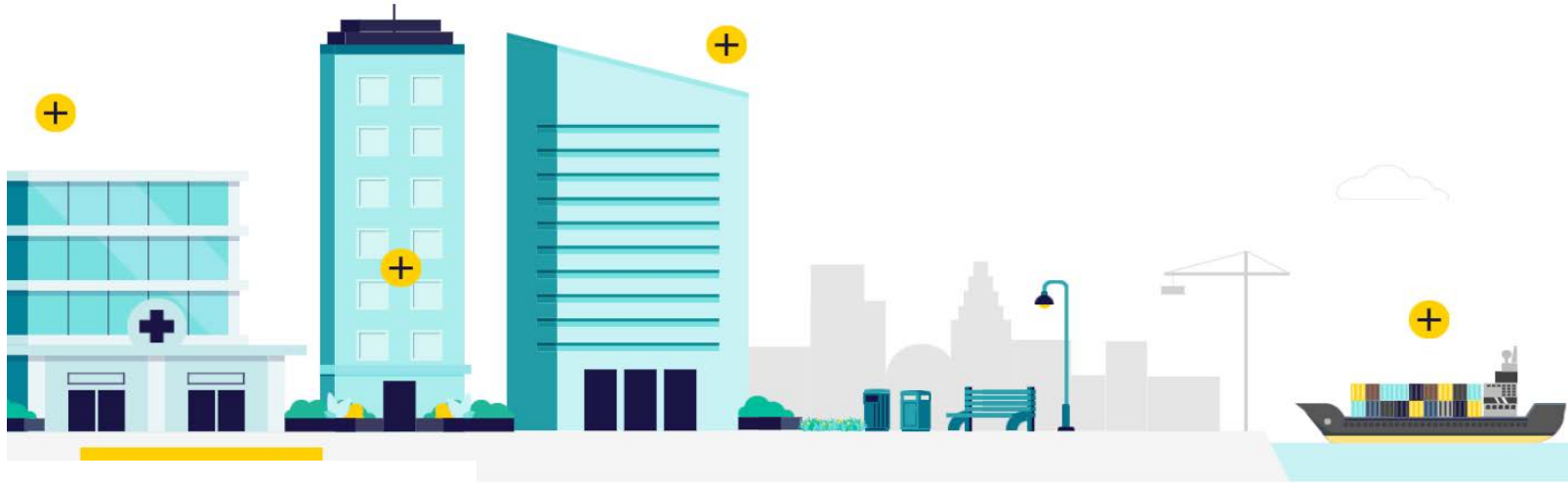
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SPECIALTY INSURANCE

Specialty

COVID-19 will increase directors and officers (D&O), event cancellation, medical malpractice, and trade credit activity, among other types of specialty insurance.



Work with your broker to anticipate changes; communicate any changes to stakeholders.

- Event Cancellation Insurance

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Management Liability – D&O

Directors & Officers (D&O)

- Financial Health of Org.
 - Dip in contributions and reduction in revenue sources
- Renewal questions focus on financial condition for next 12 months:
 - Does the insured have sufficient capital to fund operations over the next 12 months?
 - Please provide the insured current (at least February or March preferred) balance sheet and income statement
 - Has Management and/or the Board met specifically regarding COVID-19? Do they have a current plan in place for the reopening of the insured to full capacity?

Management Liability – EPL

Employment Practices Liability (EPL)

- Furlough and Rehiring Employees. Discriminations.
- Increasing Rates and Higher Deductibles
- Closer underwriting on renewal and new policies:
 - What steps are they taking to keep working employees and customers (if applicable) safe?
 - How are they handling employees who are sick or test positive of Covid-19?
 - Have there been structured layoffs and/or any furloughs in the past 2 months?
 - Is the Company contemplating layoffs/furloughs in the next 12 months? If yes, have they discussed with inside and/or outside counsel?
 - For layoffs, does the Company offer a severance packages in exchange for signed releases not to sue?
 - Does the insured offer any other type of employment services to the effected employees?
 - For furloughs, do they expect to hire back these furloughed employees when open for full business?

Management Liability – EPL (cont'd)

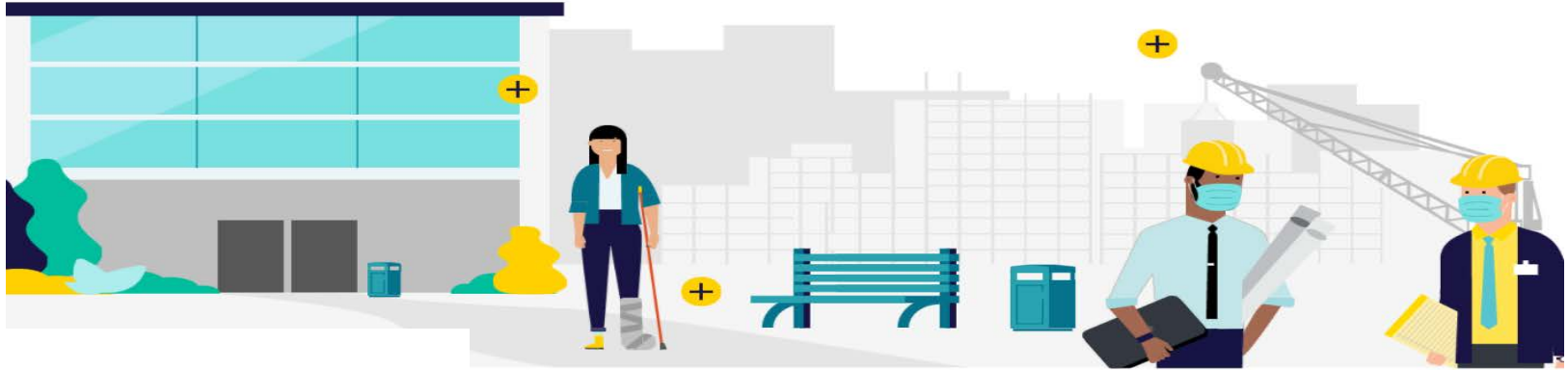
10 pandemic-related challenges likely to plague employers:

1. Ensuring employee health and safety
2. Monitoring employee health
3. Responding to employee illness
4. Notifying co-workers of potential exposure
5. Conducting an investigation
6. Evaluating the availability of leave.
7. Addressing refusals to return to work.
8. Preventing discrimination.
9. Completing Form I-9.
10. Complying with wage and hour laws.

Worker's Comp

Workers compensation

Workers compensation rates to trend up as businesses reopen and ramp up operations.



Understand key areas of loss; follow guidelines and provide workers training and protective equipment.

- Covid-related claims adjudicated on case-by-case basis. Report to carrier.
- Covid-19 claims exempted from experience rating (class code 0012).
- Employees working from home are covered by WC.
- Furloughed/"idled" workers payroll go into class 0012 retroactive to March 1 (no premium collected). Pertains to WC audits at end of policy year.
- Employers face increase in Covid-19 wrongful death lawsuits.
- Impact on future WC rates?

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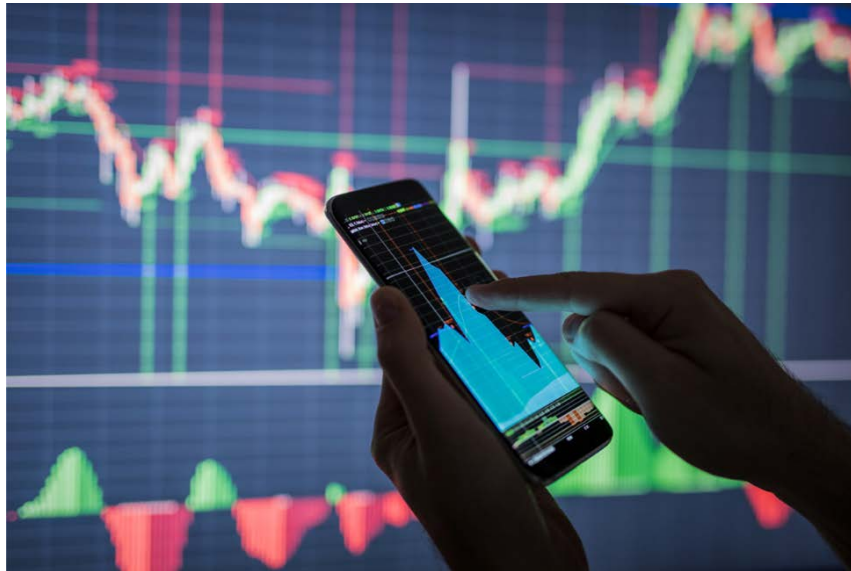
Emerging Cyber Concerns Due to Employees Working Remotely

- #2 business concern is cyber risk, second to broad economic uncertainty.
 - Only 55% of businesses have Cyber insurance policy.
- Biggest cyber-related concerns:
 - Ransomware Growing
 - Over one-third of cases through September.
 - 47% of ransomware cases due to open remote desktop protocol
Employees putting information at risk with more working remotely
- Get an incident response plan in place now.
- Emerging Risk: Website ADA Compliance Lawsuits.



Pandemic Insurance

- Government-backed program like TRIA and Flood Insurance
- Private markets



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Pandemic Insurance – Private Market



Because epidemics, pandemics and developing global health crises are difficult to forecast and do not normally have an immediate or direct effect on one's person or property -- companies throughout America have, to this date, had few options in protecting themselves from the weighty economic ramifications of such a situation, as Communicable Disease Transmission is quite often excluded from insurance coverage.

Pandemic Protector

Provides non-damage business interruption insurance for loss of gross profit due to a future epidemic and/or pandemic outbreak. It will cover future outbreaks of both known and unknown diseases.

The coverage is designed for all companies of all sizes – accessible for small to mid-sized businesses due to the lower limit offerings. Pandemic Protector is available to public and private sector, and across most industries, in all 50 U.S. states.

The customized policy provides “broad coverage with a flexible definition of the epidemic triggers” as well as access to experts to assist in outbreak mitigation and crisis management.

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Where do we go from here?

- Time to review your policies.
- Determine if you have any virus exclusion(s) currently.
- Be aware of any virus exclusions on renewal.
- Review your Workers' Comp claims history for proper handling of any Covid-related claims.
- Prepare your payroll information for annual audit to identify furloughed/idled workers pay.
- Prepare for overall premium increases. Flat renewal is a good scenario.
- Good defense: follow state/federal/CDC guidelines.

Thank You for Attending!

Please contact us if we can help you in any way.

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The image shows a blurred background of a presentation slide. In the center, the Insurance Provider Group logo is visible, consisting of a dark blue square with 'IPG' in white, followed by 'INSURANCE PROVIDER GROUP' in blue and 'For today and tomorrow™' in a smaller font. Below the logo is the website address 'www.insuranceprovidergroup.com'. At the bottom of the slide, there is a dark blue footer with a yellow horizontal line above it. On the left, there is a location pin icon in an orange circle, followed by the address: '100 Great Meadow Road, Suite 705, Wethersfield, CT 06109' and '52 Main St, Stafford Springs, CT 06076'. On the right, there is a telephone icon in an orange circle, followed by the phone number '1-860-764-0555'.





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