

COVID-19 CIRCULAR

for Women in Business - Spring 2020



COVID-19 Insurance Update

During this time of uncertainty, social distancing, flattening the curve, essential workers, staying at home and staying healthy – it is understandable that COVID-19 has changed the way many things are done and the way businesses intend to plan for the future. Clearly, this has had a complex and profound effect on multiple levels. As the pandemic continues to grow; the financial impact swells and the insurance industry continues to evolve. The impact is so fluid that we must continue to review government regulations, insurance announcements, changes and guidelines every day. It is extremely important for brokers and insurers to continue to share and advise their customers and partners. We are here to help - we are here with professional advice and claims assistance when needed most!

“Changing and challenging times require sharing of advice to build a protected and prosperous future together!”

National Brokers Insurance Services Inc.



A Prosperous future takes:

1. Planning, Review & Update
2. Protecting Continuity
3. Clearly Stated Protocols & Procedures

Update your plan - Stay Connected!

THANK YOU!

Thank you to front-line workers - those essential workers that are working to make a better, safer world for all of us.

A special thank you to **GroYourBiz** for keeping us all informed with updates and changes – a definite advantage of membership with this prestigious group!

You asked about Pandemic Insurance?

The Wimbledon Tennis Championships has been buying pandemic coverage at a cost of millions of dollars for 17 years. They had the foresight to buy the policy and it will now pay off. Over the years they paid nearly CAD\$45 million. The tournament is to receive a payout of approximately CAD\$200 million due to the COVID-19 pandemic claim.

Another example: many Canadian dentists have up to \$20,000 coverage for pandemic through an insurance program offered by their association.

We expect more pandemic illnesses, perhaps even a second wave – and we have been asked “*Will this pandemic coverage be expanded?*” Perhaps, as other sporting events, concerts and more businesses have been discussing their options for the future. “*Will it be feasible for all businesses?*” We anticipate rigorous underwriting and predict higher costs when offered. We will continue to gather more intel and keep everyone informed.



General list of Pandemic Relief for Clients with Insurance Carriers *Personal Insurance (Home & Auto)*

- Some insurers offer to provide a premium freeze on renewal (exclusions apply i.e. – loss or violation activity)
- Others are providing a rate reduction – amount of savings and terms vary (example 3 months)
- Most are extending grace periods on payment dates, waiving NSF fees and suspending cancellations for a period of time, updating payments plans and frequency of payments, changing to flexible payment plans
- You may qualify for a reduction in mileage credit, if driving habits have changed
- Most are arranging alternative payment terms and/or payment deferrals
- Some insurers are offering a one-time payment to eligible customers – payment via cheque (i.e. equal to 25% of one month's payment, another example is 20% of three months premium)
- There is additional assistance available – yet each situation is unique. We suggest reaching out to your broker for those additional options that might best suit your situation.

Certificates of Insurance (COI) and their importance (for any business!)

A Certificate of Insurance is a standard document provided as proof of insurance.

Companies that hire sub-contractors should be assured that their company will not be held liable for injuries, damages or substandard work as a result of liability arising from that sub-contractor. Many ask for a Certificate of Insurance as proof that the contracted business holds a valid insurance policy.

Claims example – you hire a subcontractor who causes damage to your client's property, it is very possible that your company can be left to defend a claim and could be held liable for the damages. You may have been upfront with terms with the subcontractor stating that insurance coverage is mandatory. However, your company could be still be liable if the coverage is cancelled or the coverage and limits are not sufficient.

Take this further! In order to protect your business, as you are hiring the sub-contractor insist on a Certificate of Insurance that adds and fully names your company as an additional insured.

Additional clause should appear similar to the following:
It is understood and agreed that (your full legal business name to be inserted) is hereby added as additional insured, but only with respect to the General Liability arising out of the operations of the Named Insured.

A COI will show the Named Insured, the classification of business for which they are insured, the insurer, specific coverage and the limits of coverage, the expiry date of the policy or policies and brokerage. Being added as an additional insured also adds another clause - for example: *The Insurer will endeavor to inform the holder of this Certificate with 30 days written notice of any material change in or cancellation of these policies.* There is no guarantee of notice in a lot of cases, however, you may receive notice if the sub-contractor's policy is suspended, cancelled or changed.

In essence, by protecting your policy, you are protecting your business - keeping your reputation intact.

Any questions, feel free to contact our office!

Considerations at this time....

Advertising – Cautionary Tale

Take precaution when advertising or promoting services for any business that claims to decontaminate or eliminate any virus or bacteria – particularly coronavirus. The question lies with this invisible culprit – how could one determine whether the virus was eliminated or whether it was brought in when the property became occupied again. Do not make promises that can lead to future allegations of negligence or failure to disinfect. Be fastidious with your marketing collateral – develop statements that clearly communicate expected results. While waivers do not always stand up in a court – they are useful in order to make the customer aware of any limitations.

Automobile Insurance – Your Options

Drivers whose habits have changed may qualify for reduced automobile insurance premiums – contact your broker to discuss options. **Warning: Keep in mind if you remove road coverage on any vehicle - you cannot drive or move the vehicle.**

Business Interruption

Business interruption coverage is triggered when a loss of business income occurs, the loss must result from direct physical loss to the insured property and must be caused by a named peril. However, with COVID19, there is no direct physical loss to the business premises. Typically, the introduction of a contaminant is expressly excluded from coverage. That said, it is unlikely that the property insurance coverage will respond in this case, and it would appear there is no coverage to activate business interruption extension.

Cyber Liability – Be Aware

Measures have been in place to protect employees and now is not any different. Keep employees informed! Provide and enforce protocols and procedures. With current conditions, cyber criminals continue to use the opportunity to take advantage of vulnerable networks. With more employees working remotely the potential of cyber risk increases. Be sure to a) review your IT policies, b) encourage employees to protect their Wi-fi and change passwords, c) use only secure online meetings, d) advise employees to only visit reliable sites, e) prepare a breach plan, f) perform proper system updates, g) advise employees not to leave laptops visible in a vehicle & protect devices when outside of the office, h) maintain emergency power systems i) consider a cyber liability policy. Call us for assistance with our simplified application.

Directors and Officers Liability (D & O)

Directors and Officers Liability provides coverage for individual directors and officers, as opposed to the corporate entity. Directors and officers have a duty to exercise due diligence in overseeing the management of the organization that they serve – effectively managing liability risk. This involves three basic duties: 1. Duty of Care: To act reasonably, in good faith and in the organization's best interest. 2. Duty of Loyalty: To place the interest of the organization before your own. 3. Duty of Obedience: To act within the scope of the bylaws. Typically, these policies do exclude coverage for bodily injury and property damage claims. This is a coverage we will be closely watching for the interpretation of claims brought by customers, vendors and governments during this time.

Employment Practices Liability (EPL)

COVID-19 has been the largest cause of disruption for employees in the workplace that we may have ever seen. Employment Practices Liability coverage is another area that we are watching closely for the court's interpretation with exposé lawsuits. Companies with concise employment practices are in a good position to defend themselves in a suit as a result of employment, however, those costs of defense can be extremely expensive. An EPL can provide limits of \$100,000 to \$5,000,000 with coverage for Canadian and U.S. employees. Coverage for: a) claims based on discrimination, harassment and unfair dismissal b) claims made by employees, former employees or applicants for employment c) claims based on increased severance payments for unfair dismissal due to an EPL violation d) punitive damages and exemplary damages e) third party available – for claims made by customers.

Equipment – Update your policy

Have you supplied equipment from your business to employees to work from home? When was the last time you updated the equipment floater limit and provided a full listing for your insurance policy? Check your policy to be sure you have adequate limits. Also, be aware that locked vehicle warranties are in place on policies to ensure that commercial vehicles carrying equipment and supplies are locked to prevent theft.

Home Insurance

Working from home? Typically, there is a business operations exclusion on home insurance. Working on a computer and not bringing clients into your home has not been a big concern. Obviously, the type of business being conducted is the issue. Consider the nature of your business or whether it has changed and consult with your insurance broker with any questions.

**Bloom Insurance offered by
National Brokers Insurance Services Inc.**

Bloom Insurance – expect the unexpected!

Bloom is a unique insurance program designed by women who get it because they live the challenges faced by female business owners and leaders. We support your achievement by getting to know you and your business and then tailoring our risk and insurance advice to your life growth goals – we want to see your business bloom!
Call us for the “GroYourBiz” Bloom Program **1-877-630-6285**

Commercial Business Insurance

Flexible, best in class insurance products, for your business we develop a workable blueprint for a workable blueprint for a better protected and sustainable enterprise, smart risk management and loss control services

Personal Insurance

Save time and money with Bloom’s group buying power, group savings on home and auto insurance premium, complete review of coverage, payment plans with no service fee available

Emergency Health and Risk Management Support

Healthcare navigation, dedicated medical staff, counseling services for financial and other personal matters and more.

Message from our President

We know that the coronavirus has put stress on the individuals and businesses across the country. We acknowledge that industries have faced unanticipated challenges and the pandemic has complicated the way we all do business. We have seen the challenge of considerable announcements from governments and media for our insurance industry play out on television. Terms have quickly become ‘commonly used’ during this time within our highly regulated industry: fluid, changing, case by case, distance, reduction, rebate, deferral of payment, relief measures, waiving fees…… truly unprecedented!

Yet, this is the time when service and responsiveness is most needed and will continue to be recognized and remembered.

We are proud to work with the members of GroYourBiz and rest assured we stand ready to assist. Our office is open for business and we are here to answer your questions. We commit to keeping you informed! Let’s start the conversation!

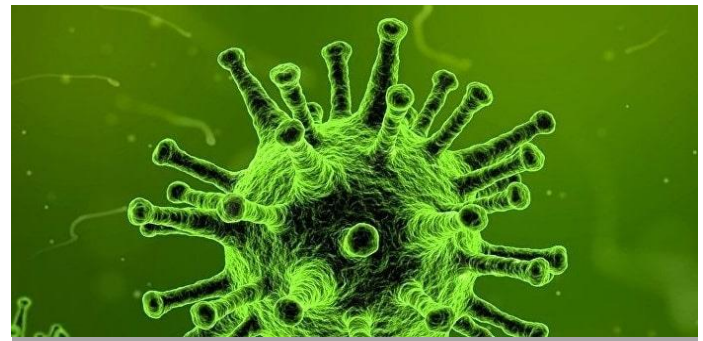
Keep safe and stay strong!

Joyce

www.insurancebybloom.ca

Call National Brokers Insurance Services Inc.

TF: 1-877-630-6285 P: 905-597-3500



General list of Pandemic Relief for Clients with Insurance Carriers *Commercial Business Insurance*

- Some insurers have triggered the Declaration for Emergency Endorsement – an extension of termination or the expiry date if an emergency has been declared (up to a maximum of 120 days)
- Others allow premium adjustments to reflect the change in risk or reduction of risk
- Renewals continue to be reviewed on a case by case basis – speak with your broker
- Some insurers allow mid-term premium reductions due to substantial drop in revenue
- Most insurers have increased the allowable time for unoccupied locations (from 30 days to 90 days) – as long as the owner visits the property every 3 days or in other cases 7 days. The security system must be adequately maintained
- Flexible payment options are available
- Some companies are reading-in off-premises equipment coverage. The limit is typically capped at \$5,000 per occurrence. Check your policy to make sure your limits are adequate
- If driving habits on your commercially rated vehicle or fleet have changed, you may qualify for a reduction in premiums