

CORONAVIRUS PLANNING, RESPONSE, AND RECOVERY: A GLOBAL EMERGENCY



Given rapid spread of Coronavirus or COVID-19, the World Health Organization (WHO) has declared this viral outbreak as a Pandemic. In times such as this, the health and wellbeing colleagues, clients and their loved ones should be a first priority for any organisation, followed by measures that may help reduce the likelihood and impact of any disruptions to business operations.

HOW THIS HAS IMPACTED BUSINESSES

- Office closure.
- Conference and event cancellations.
- Global supply chain impacts.
- Economic and financial market impacts.

IMMEDIATE ACTIONS FOR BUSINESSES: IDENTIFY YOUR KEY VULNERABILITIES

People

- Know where your people are
- Be prepared to amend policies and plans based on the latest directives of the local authorities.

- Listen to employees' concerns to ease anxiety.
- Think about visitors and guests in addition to employees.

Operations

- Identify and stay in contact with critical suppliers about actual and expected impacts.
 - Continue to communicate with existing suppliers, encouraging openness about their level of disruption.
 - Monitor resilience of suppliers' suppliers.
 - Be mindful of competition for alternative suppliers' services.
- Review contractual liabilities.

COVERAGE AVAILABLE UNDER TRADITIONAL POLICIES

- General liability policies may cover customer illnesses if there is a legal liability on insured.
- Pollution legal liability policies may cover cleanup costs.
- Employment practices liability policies may respond to discrimination claims including discrimination on basis of national origin.
- Directors and officers liability policies may cover shareholder litigation.
- Credit insurance policies may respond to nonpayment events.

SPECIFIC SCENARIOS

An infected employee disrupts client operation

A Professional Liability policy may trigger in case a client alleges negligence while rendering services leading to financial loss, however there are several issues which may not allow the policy to respond.

- Example: Services like technical services, software service, BPO activities etc. It would be difficult to qualify a situation of an employee with infection at client's premises as negligence in rendering professional services.
- Pin pointing a spread of infection to a specific person or situation might also be difficult.

A client/third-party contracting infection at your premises

- CGL policy may respond however it may again be difficult to establish negligence.

[For further query please contact your local Marsh representative.](#)

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