

French-American Chamber of Commerce of Chicago



COVID-19 & Insurance: What is Covered, What is Not

Presented by:
Laurent Chevreau
Account Executive Lead
D: 312-595-6286
E: laurent.chevreau@alliant.com

April 14, 2020

CA License No. 0803093
Insurance Services offered through Mesrow Insurance Services, Inc.
© 2020 Mesrow Insurance Services, Inc., an Alliant-owned company.
All rights reserved.

Alliant

Introduction



25 min presentation
35 min Q&A

Property

Basis of coverage

(Disclaimer - actual policy conditions/exclusions/definitions will vary per policy/insurer):

“A permanent direct physical damage to a covered Property by a covered Cause of Loss.”

- **Covered Properties**: Buildings, stores, machines, inventories, tools....etc.
- **Covered Causes of Loss** :
 - **Fire only policies** – London Fire 1666, Lloyd’s of London 1686, USA 1st Life insurer 1750’s, Chicago Fire 1871, SF Earthquake 1906
 - **Named Perils Policies** – fire, windstorm, hail, aircraft, riot, vandalism, explosion and smoke - policies that provide coverage only for loss caused by the perils specifically listed as covered
 - **Special Form Policies** – coverage applies to loss from all causes not specifically listed as excluded

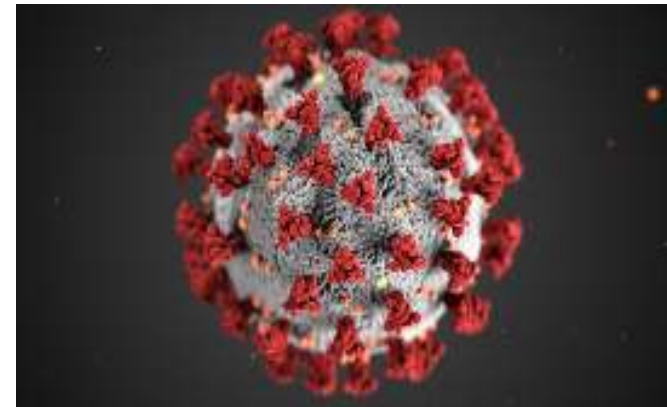


Property

Common excluded Causes of Loss:

(Disclaimer - actual policy conditions/exclusions/definitions will vary per policy/insurer):

- Contamination - *means any condition of property due to the actual or suspected presence of any foreign substance, impurity, pollutant, hazardous material, poison, toxin, pathogen or pathogenic organism, bacteria, **virus, disease causing or illness causing agent, fungus, mold or mildew***
- Contaminants
- Disease
- Fungus
- Virus
- Etc.



QUESTION: What is a PANDEMIC?

Property

\$\$\$\$\$ Business Income \$\$\$\$\$

or Business Interruption, Loss of Income, Loss of Gross Profits, Extra-Expense, Loss of Rents, Time Element...etc. (Disclaimer - actual policy conditions/exclusions/definitions will vary per policy/insurer):

Insurers only consider financial loss as a **consequence**.

IF basis of insurance is evidenced,



“A permanent direct physical damage to a covered Property by a covered Cause of Loss.”

THEN AND ONLY THEN, the following additional/optional coverage can eventually be triggered, such as:

- Business Interruption / Loss of Income / Loss of Profit / Extra Expense
- Civil Authority (access of covered property prevented by Law)
-a few more...

If it was not the case, insurers would have to pay all insureds' financial loss for any economic downturn, bad business strategy, failed product launch, missed marketing campaign...etc. -**What is a PANDEMIC?**

Property

Example of insurer deny letter to a restaurant closed for 3 weeks due to Illinois/Chicago shelter-in-place requirement:

“...Our investigation and discussion with you *{insured}* confirmed there were no direct physical damage sustained to your described premises or property *{the restaurant}*, and because the policy excludes coverage for loss or damage caused by or resulting from any virus, any loss you sustained is not a loss resulting from a covered cause of loss; therefore we will be unable to afford coverage for your claim....”

Stay Tuned...:

White House Coronavirus Task Force Briefing – April 10th 2020 {Transcript Time: 00:59:27}

“...You have people - I speak mostly to the restaurateurs, where they have a restaurant, they've been paying for 25, 30, 35 years - business interruption. They've never needed it. All of a sudden, they need it. And I'm very good at reading language. I did very well in these subjects. Okay? And I don't see the word "pandemic" mentioned. Now, in some cases, it is. It's an exclusion. But in a lot of cases, I don't see it. I don't see a reference, and they don't want to pay up. I would like to see the insurance companies pay if they need to pay, if it's fair....”

President Donald Trump

What is a PANDEMIC?

Food for Thought:

- Terrorist attack 9/11/2001 – Terrorism Risk Insurance Act of 2002 (TRIA)
- **Corona virus pandemic 2020 - “Pandemic Risk Insurance Act” of 2020 (PRIA)?**



Liability

- **Premises/Products/Completed Operations Liability (CGL)**

Liability coverage with regards to BODILY INJURY to others and/or PROPERTY DAMAGE to others' properties.



Access to job sites, change of products, change of services...etc.

- **Directors & Officers Liability**

Liability coverage with regards to D&O's wrongful acts causing financial loss to 3rd parties such as investors, lenders, suppliers, clients...etc.



Decision made by D&O during crisis, communication...etc.

- **Employment Practices Liability**

Liability coverage for EMPLOYERS with regards to claims brought by EMPLOYEES for discrimination, wrongful termination...etc.



Rules & regulations related to layoffs, furlough, unemployment...etc.

- **Cyber Liability**

Liability coverage for financial losses that result from data or network breaches - phishing, hacking, social engineering and other cyber events such as malware, ransomware...etc.



Working remotely with other connected objects, through new platforms...etc.

People

- **Workers' Compensation Insurance**

- Inform insurers about any change of job assignment/scope/classification
- Call 911 and report a claim if an employee is showing evidence of sickness
- Follow CDC's evolving recommendations

PREVENTION - Some work environment are more difficult than other for compliance with safe-distancing protocols, but employers needs to offer highest known types of Personal Protective Equipment (PPE'S).

- **Health Insurance**

- Insurers waiving prior authorization, co-pays or out-of-pocket for Covid19 for testing and related medical expenses
- Telemedicine
- Anxiety or stress management consulting
- Extended "eligibility" to consider furloughs – Based on # of hours and/or # of months employed

- **Disability Insurance**

- Short-Term - your illness requires medical quarantine that leaves you unable to complete your work – "Social quarantine" versus "Medical quarantine"
 - Long-term - can cover a chronic illness or other complications that leave you unable to work
- In both types of coverage, check "Waiting Periods"

- **Life Insurance**

- Death is Death
- New Coverage availability?



COVID-19 & Insurance: What is Covered, What is Not

Q&A

- **Every participant is on mute by default**
- **If you have a question, use the chat window or ask your question out loud after the presentation (the presentation will last less than 30 minutes to leave enough time for Q&A)**
- **If there is a technical glitch or if the meeting is disconnected, reconnect with the same link**
- **Webinar will be recorded**

Andrea Fletcher (FACC) will invite you to a scheduled Zoom meeting.

Or one tap mobile

- +13126266799,,93306949276#,,#571217# US (Chicago)
- +16465588656,,93306949276#,,#571217# US (New York)

FOR ALL ACCESS - Meeting ID: 933 0694 9276
Password: 571217

Or Dial by Locations:

Chicago +1 (312) 626-6799
New York +1 (646) 558-8656
US +1 (253) 215-8782
Houston +1 (346) 248-7799
San Jose +1 (669) 900-9128

Alliant Overview

FOUNDED IN
1925



Nationwide distribution
from 110+ offices

\$17.2
BILLION
in premium



9th

Largest in U.S.

\$1.6
BILLION
in revenue

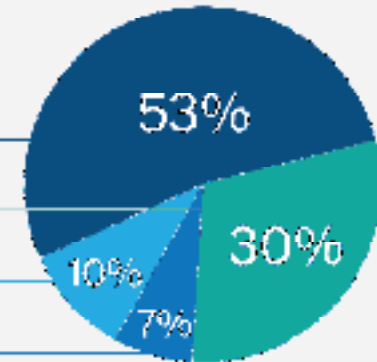
Ownership

ALLIANT EMPLOYEES

STONE POINT CAPITAL

PEP INVESTMENTS

OTHER INVESTORS



4,000+
employees



Entrepreneurial,
client-focused culture

Speaker & Organizers



WWW.ALLIANT.COM

- Laurent Chevreau, ARM, CIC, CRM

Account Executive – Lead
Alliant Insurance Americas

Within Alliant Americas, Laurent Chevreau is responsible for the design, negotiation and implementation of insurance programs for large US-based clients. In addition, as long-time member of the French-American Chamber of Commerce (FACC) and Conseiller du Commerce Extérieur de la France (CCEF) in Chicago, he also assists many foreign businesses identifying their insurance needs in the United States and dovetailing insurance programs with their foreign-based Parent organizations. Laurent began his career in the insurance industry in 1994, while still residing in France. Laurent holds the Associate in Risk Management (ARM), Certified Insurance Counselor (CIC) and Certified Risk Manager (CRM) designations.



WWW.FACC-CHICAGO.COM

- French-American Chamber of Commerce Chicago (FACC-Chicago) is an independent, non-profit, member-driven organization whose mission is to foster a thriving economic relationship between the United States and France and to welcome and support French businesses and entrepreneurs in the Chicago

region. FACC-Chicago is one of eighteen U.S. chapters of the French-American Chambers of Commerce, which represent more than 5,000 companies nationwide in all major industries. FACC-Chicago is funded solely through membership dues, event revenue and trade services.

Contact us for more information on our programs, events, or membership!
Andrea Fletcher – Executive Director – ajfletcher@facc-chicago.com
(312) 578-0444