

Guide for Commercial Brokers in a Post COVID-19 World

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By Frank Pennachio



Preparing for Risk in a Post-Pandemic World

With the COVID-19 pandemic gripping the world, insurance professionals are facing a dramatic change in the way they do business. In times like these, insureds look to insurance organizations to provide guidance and protection, and yet we are facing risks unlike any we have ever seen before.

So, how can we help our clients in a time of unprecedented crisis and uncertainty, and how can we help ourselves?



Frank Pennachio has more than 30 years of experience in the insurance industry as an agency owner and producer. In 2009, he sold his agency and co-founded Oceanus Partners, a ReSource Pro company. He is now a full-time trainer and consultant to insurance organizations.

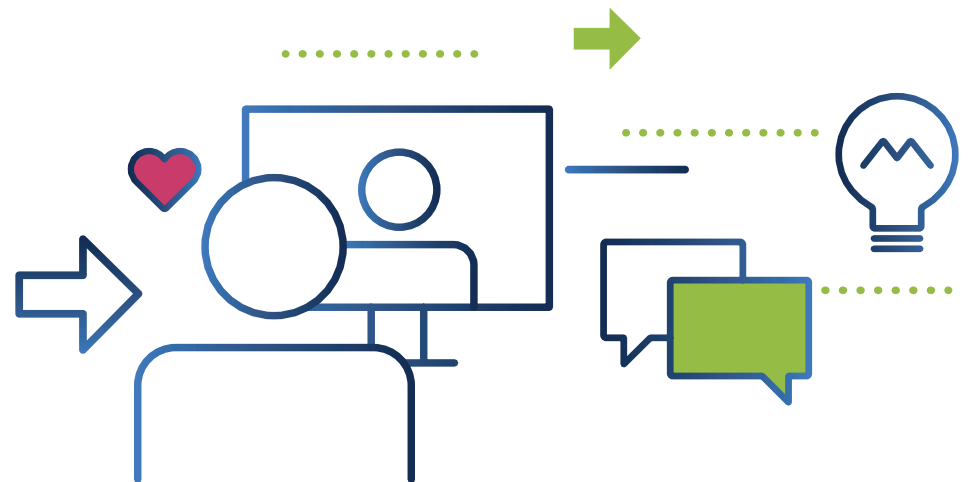
Lead With Empathy

Approach clients and prospective clients in a way that demonstrates an understanding of the challenges and stress they face. Have a conversation with them about their concerns in this unprecedented situation. Show them that you're here to help.

Use empathetic language such as:

- “We’re here for you.”
- “We understand what you’re feeling.”
- “We’re sorry you are going through this.”
- “We’re happy to listen anytime.”
- “Let us know how we can help.”

Statements like these demonstrate the two key elements of empathy: acknowledgement and action. Clients do not just want to know you are listening, but that you can offer a solution. If they have questions you can't answer yet, let them know you'll work to find the answer.





Help Minimize Risk for Commercial Insurance Buyers

The pandemic has brought many difficulties to our industry, and to help your commercial clients navigate them, we've compiled a list of key areas to address in the coming months. You should also consider these steps as essential to your own business.

1. Workers' Compensation and Remote Work

Your organization may be moving toward remote work for the very first time, which means that your workers' compensation risk is high until you create a detailed remote workers' policy statement. Risk doesn't go away in the household, and a statement that provides employees with clear guidelines for working from home will not only help them stay safe and healthy but also keep business moving. The statement could advise on:

- Maintaining normal business hours
- Communicating in a timely manner
- Keeping a workstation separate from normal residence, like an office
- Creating an ergonomically aligned workspace

Remember that workers who are injured while working at home are still covered, but they do not have 24-hour coverage. A remote workers' policy statement helps to reinforce this.

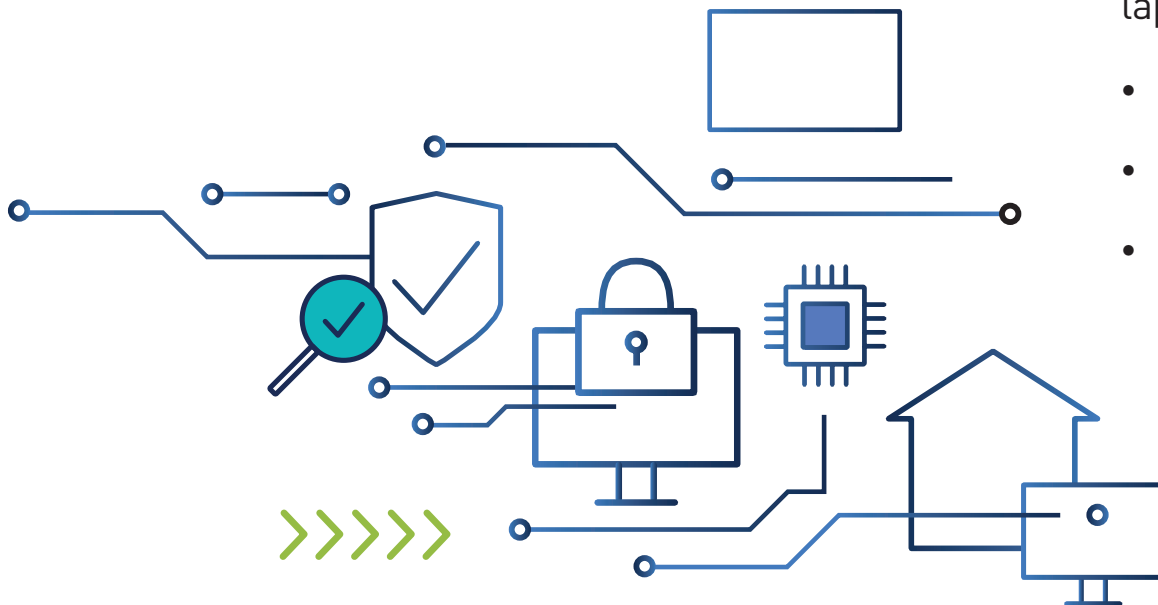


2. Cyber Insurance

The risk of cyber losses increases dramatically when workers go remote. Consider what might happen if an employee accesses the company system from an unsecure internet connection or shares confidential documents using the wrong channels. All are risks that can be prevented by establishing the proper protocols—and all could void your cyber insurance coverage.

Your organization likely already maintains security standards for in-office work, and you should leverage these when going remote. Reiterate any established best practices for avoiding phishing and other scams, which have been on the rise during the pandemic. Consult with your IT team or an information security expert to build a plan for dealing with employees using home computers or company laptops, covering the following:

- Routine security updates and scans
- Regular risk assessments
- Simulated cyberattacks or email phishing campaigns to test readiness and awareness



3. Employee Benefits

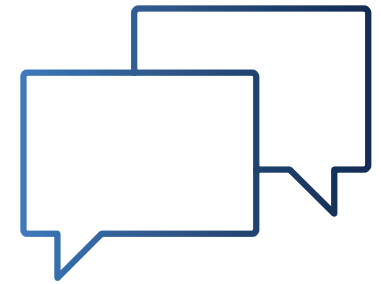
The economic impact of COVID-19 is already being felt by many businesses and leading them to lay off or furlough employees. During a major public health crisis such as this businesses need to endeavor to help employees remain eligible for health insurance. Explore other options:

- COBRA, though this may not be affordable without substantial subsidies from employers
- Affordable Care Act Healthcare Exchanges
- Medicaid

Due to recent legislation, your organization may already be affected. The Families First Coronavirus Response Act (FFCRA) and Coronavirus, Aid, Relief, and Economic Security Act (CARES) have introduced new requirements for organizations to provide paid sick leave and emergency family and medical leave as well as group health plans to cover COVID-19 testing. You can expect new legislation to emerge as the situation develops.



Transform How You Talk About Coverage

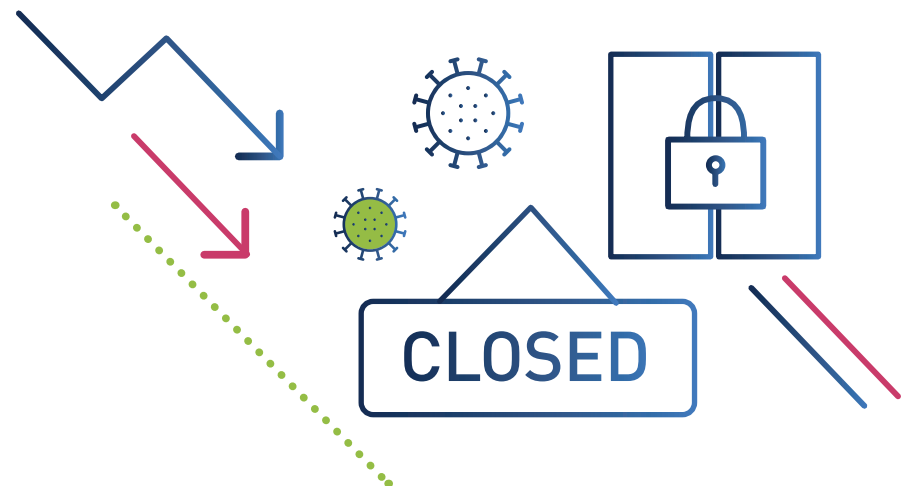


COVID-19 marks the beginning of a new conversation with clients. Let's consider one example of how the pandemic is challenging insureds: business income coverage.

Normally, business income coverage has to be triggered by property damage. For example, in a natural disaster such as a hurricane, the coverage is triggered when the business shuts down due to building damage from high-speed winds.

But what happens when a business needs to shut down because microscopic traces of a virus are discovered on a countertop? And what happens when a civil authority forces a business to shut down? Likely nothing.

Some emergencies are simply so large that carriers cannot afford to cover the risk at a reasonable cost. But that doesn't mean they can simply stand by. In fact, COVID-19 has created such widespread losses that several states are attempting to force insurers to provide retroactive coverage regardless of whether their policies contain virus exclusions.



While it can seem counterintuitive, at this time insurers are recommending you file a claim for business income loss, even if you're unsure of coverage. After the September 11 terrorist attacks, the government created a federal backstop since the claims were too large for the insurance industry to shoulder alone. It's not clear yet whether a similar federal backstop will be created for coronavirus-related claims. When guiding clients through this process, be upfront about the uncertain environment and provide the most up-to-date knowledge.

THE INSURANCE INDUSTRY MAY NOT BE ABLE TO COVER EVERY KIND OF LOSS, BUT WE CAN STILL PREPARE AND ASSIST.

Meanwhile, many insurers are already stepping up to the plate by providing free, temporary coverage, suspending billing, and working with the federal government to design a COVID-19 relief fund. The insurance industry may not be able to cover every kind of loss, but we can still prepare and assist.



Where Do We Go From Here?

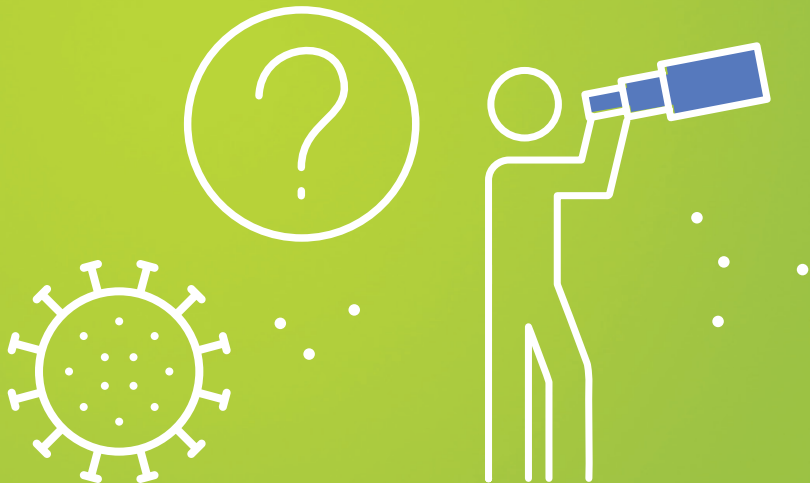
This pandemic has shown us that many of our existing processes are ineffective at addressing significant risks, and that we need to have far different conversations with insureds during difficult times. There are many risks we cannot insure, but that doesn't mean we shouldn't talk about them. It is our responsibility to do everything in our power to mitigate and prepare for risks nonetheless.

Going forward, ask yourself these two questions:

1. How prepared are you to converse with your clients during this pandemic as you help them reduce risks?
2. Are you ready to conduct business in a way that is significantly different from the past?

If you need help adapting to this new reality, let's talk.

Frank Pennachio, Partner, Oceanus Partners,
a ReSource Pro company - frank@oceanuspartners.com





ABOUT RESOURCE PRO

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