



AGC
THE CONSTRUCTION
ASSOCIATION

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COVID-19 Insurance Coverage and Claims

Business Interruption Challenges and Strategies

Presenters



Frank Russo

Principal
Procor Solutions + Consulting
frusso@procorllc.com



Tracy Saxe

President
Saxe, Doernberger & Vita
tas@sdvlaw.com










Paul Primavera

EVP – National Practice Leader
Lockton Companies LLC
pprimavera@lockton.com

A COLLECTION OF ARTICLES, RESOURCES ON INSURING AGAINST THE BUSINESS RISK

Insurance Considerations & Strategies

- **Policyholders' Coverage Checklist in Times of Coronavirus**, Saxe Doernberger & Vita – [click here](#) 
- **Coronavirus Insurance Coverage and Claims Guidance**, Lockton Companies – [click here](#) 
- **Coronavirus Disease (COVID-19) Frequently Asked Questions**, USI – [click here](#)  and [here](#) 
- **Gallagher Report: Responding to the Coronavirus**, Gallagher – [click here](#) 
- **Alliant Report: Coronavirus Contractor Strategy Checklist**, Alliant Insurance Services, Inc. – [click here](#)  and [here](#) 
- **What Should Construction Risk Managers Be Considering in Light of the COVID-19 Pandemic?** Willis Towers Watson – [click here](#) (posted with permission from Bill Creedon, Global Head of Construction)

Quantifying Delay and Cost Impacts





Regardless of insurance coverage applicability, contractors should measure all financial impacts of COVID-19. The attachments below offer key tips to quantifying impacts from the event.

- **Checklist: Documenting Project Shutdowns/Delays**, Procor Solutions + Consulting – [click here](#) 
- **Worksheet: Project Delay Cost Estimate**, Procor Solutions + Consulting – [click here](#) 

Insurance Coverage

Insurance policies that may respond to the COVID-19 outbreak may include the following (check with your insurance broker to confirm coverages):

1. Property/Business Interruption

- **Coronavirus and Business Interruption Coverage for Policyholders**, Saxe Doernberger & Vita – [click here](#) 
- **Business Interruption Challenges [Checklist]**, Saxe Doernberger & Vita – [click here](#) 
- **COVID-19: Coronavirus Losses: Will Your Commercial Insurance Policies Respond?** K&L Gates, [click here](#)  and [here](#) 
- **Builder's Risk Considerations During the COVID-19 Pandemic**, Willis Towers Watson - [click here](#) (posted with permission from Bill Creedon, Global of Construction)

2. Workers' Compensation Policy

- **COVID-19: Workers Compensation Response**, Liberty Mutual Insurance – [click here](#) 
- **Impact of Coronavirus (COVID-19) in U.S. Casualty Claims**, AON – [click here](#) 

3. Environmental Insurance

- **Coronavirus (COVID-19) - Environmental Insurance Coverage Considerations**, Willis Towers Watson – [click here](#) (posted with permission from Robin Keliher, SVP and National Environmental Claims Director)

Construction Project Loss/Delay checklist when impacted by Coronavirus

PROJECT INFORMATION

Project:	
Owner / Developer:	
Time/Date (Approx.) Project Delays Began:	
Time/Date (Approx.) Project Resumed:	

PROJECT IMPACTS

- ☐ Prior to shut down, take ample photographs and videos to memorialize project status before closure. Slowly walk the perimeter of the site and take a 360° video of each area - Time stamps to photos and videos.
- ☐ Establish a separate Potential Change Order (PCO) in the project cost accounting system under which all Coronavirus loss-related costs will be captured.
- ☐ Identify the most recent pre-shutdown construction project schedule to memorialize status and pre-shutdown construction milestones and dates such as Temporary COO, inspections and/or final completion.
 - Pre-incident CPM project schedule(s)
 - This will be crucial when job site resumes and review of post-incident critical path schedule and impacts are compared.
- ☐ Develop a Rough Order of Magnitude (ROM) that outlines all areas of anticipated loss amounts based on a projected project delay period. Update estimates accordingly during delay.
- ☐ Identify Extra Expenses - costs above normal related to the event. Any cost or expense incurred, that would not have been incurred **“but for”** the event, should be tracked.
- ☐ Identify any Expediting Expenses—costs incurred once job resumes to speed up back to normal, such as overtime wages and express transportation charges.
- ☐ Identify costs related to ingress / egress delays, enforcement of laws or ordinances regulating repair, demolition, and reconstruction of damaged buildings.
- ☐ Create list to track all additional general conditions for the project related to Coronavirus impact.
 - Trade Timesheets
 - Office, trailers, overhead costs
 - Added field labor costs must be documented clearly

NOTICES

- ☐ Track and compile relevant Notices, Declarations of Emergency, State or City instructions
- ☐ Track and compile relevant Notices from Owner/Client/Workers/Employees

IMPACTED SUBCONTRACTORS

- ☐ Instruct Subcontractors to create their own Potential Change Order (PCO) in the project cost accounting system under which all Coronavirus loss-related costs will be captured.
- ☐ Create list and track any changes in subcontractor staffing levels / workforce pre and post Coronavirus interruption by each subcontractor.
- ☐ Create a list to identify anticipated comeback, remobilization by subcontractor.
- ☐ Log correspondence related to Coronavirus (letter, notices, claims, cost proposals) from subcontractors

EQUIPMENT

- ☐ Compile Executed subcontract or Service Agreement or Rental Agreements
- ☐ Compile invoices & lien waivers
- ☐ Compile Proof of Payment-canceled checks or ACH payments

NARRATIVES

- ☐ Prepare a detailed narrative / summary of job status at the time of closure

PROJECT DELAY COST ESTIMATE WORKSHEET

Instructions: Please fill out the information for the boxes highlighted in light yellow. The gray boxes will populate automatically but can be manually overridden if needed. Please add additional comments as necessary. The total delay impact will be highlighted in bright yellow.

This is not meant to be an exhaustive list. For a more detailed analysis please contact Procor Solutions + Consulting at (800) 871-5832.

PROJECT BACKGROUND	
Project Name:	
Project Number:	
Project Owner:	
Project Address	
Current Scheduled Date of Completion:	

ESTIMATED DELAY	
Delay Start Date	3/15/2020
Delay End Date	4/15/2020
Total Length of Delay (Days)	31

TOTAL ESTIMATED DELAY IMPACT	\$ -
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ESTIMATED DELAY COSTS								
Description	Monthly / Weekly / Daily (Choose One)	Cost Amount	Estimated Daily Cost	Estimated Delay Cost	Plus: Demobilization / Remobilization Costs	Plus: Other Costs (If Applicable)	Total Impact	Comments
Labor	Daily	\$ -	\$ -	\$ -			\$ -	Linked to "Labor Details Tab" by default
Equipment	Daily	\$ -	\$ -	\$ -			\$ -	Linked to "Equipment Details Tab" by default
General Conditions	Daily	\$ -	\$ -	\$ -			\$ -	Linked to "GC Details Tab" by default
Subcontractors							\$ -	
Subcontractor 1	Monthly		\$ -	\$ -			\$ -	
Subcontractor 2	Monthly		\$ -	\$ -			\$ -	
Subcontractor 3	Monthly		\$ -	\$ -			\$ -	
Subcontractor 4	Monthly		\$ -	\$ -			\$ -	
Subcontractor 5	Monthly		\$ -	\$ -			\$ -	
Subcontractor 6	Monthly		\$ -	\$ -			\$ -	
Subcontractor 7	Monthly		\$ -	\$ -			\$ -	
Subcontractor 8	Monthly		\$ -	\$ -			\$ -	

Sample Cost Category Detail



Direct Labor
Project Executives
Project Managers
Superintendents
Project Engineers
Schedulers
Estimators
QA/QC
Safety
Finance / Accounting
Administrative

General Conditions
Temporary Office
Site Security
Fencing
Electric
Internet & Phone
Computers & Printers
Waste Removal
Toilets

Legislative/Executive Proposals on Coverage



Attempts to Void Virus Exclusions/PD Issue:
NJ, OH, MA, NY, TX (as of 3.27.20)

Cancellation/Non-Renewal
LA

Lobbying for 9/11- type Public Fund/FEMA(?)
Federal

Key Takeaways



- Establish a separate account number or charge code in your cost accounting system under which all Coronavirus loss-related costs will be captured.
- Calculate your business' operating "baseline" – usually a 2-3 year look-back of the business performance to use for comparative purposes during the disruption period.
- Speak to your trusted business advisers, including attorneys, insurance brokers, risk management professionals and CPAs.
- Continue to monitor the news and sign up for local text alerts in your area to stay informed as the situation continues to develop.
- Keep track of all local, state or federal directives that impact your business.

Policyholders' Coverage Checklist in Times of Coronavirus

- Assemble Your Team
- Pre-Loss Risk Management
- Define the Risk
- Be Fully Engaged with Brokers
- Prompt Notice
- Document Facts/Costs/Losses
- Be Mindful of Applicable Regulations and Laws

Coronavirus Dedicated Websites



<https://www.procorllc.com/pandemic-business-resources/>



https://sdvlaw.com/coronavirus_news.asp



<https://www.lockton.com/coronavirus>

Questions?



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Today, March 30th @ 4PM, EDT

Latest Economic, Legislative & Regulatory COVID-19 Related Impacts on Construction

Register Now → <https://na.eventscloud.com/covid19-related-impacts>