



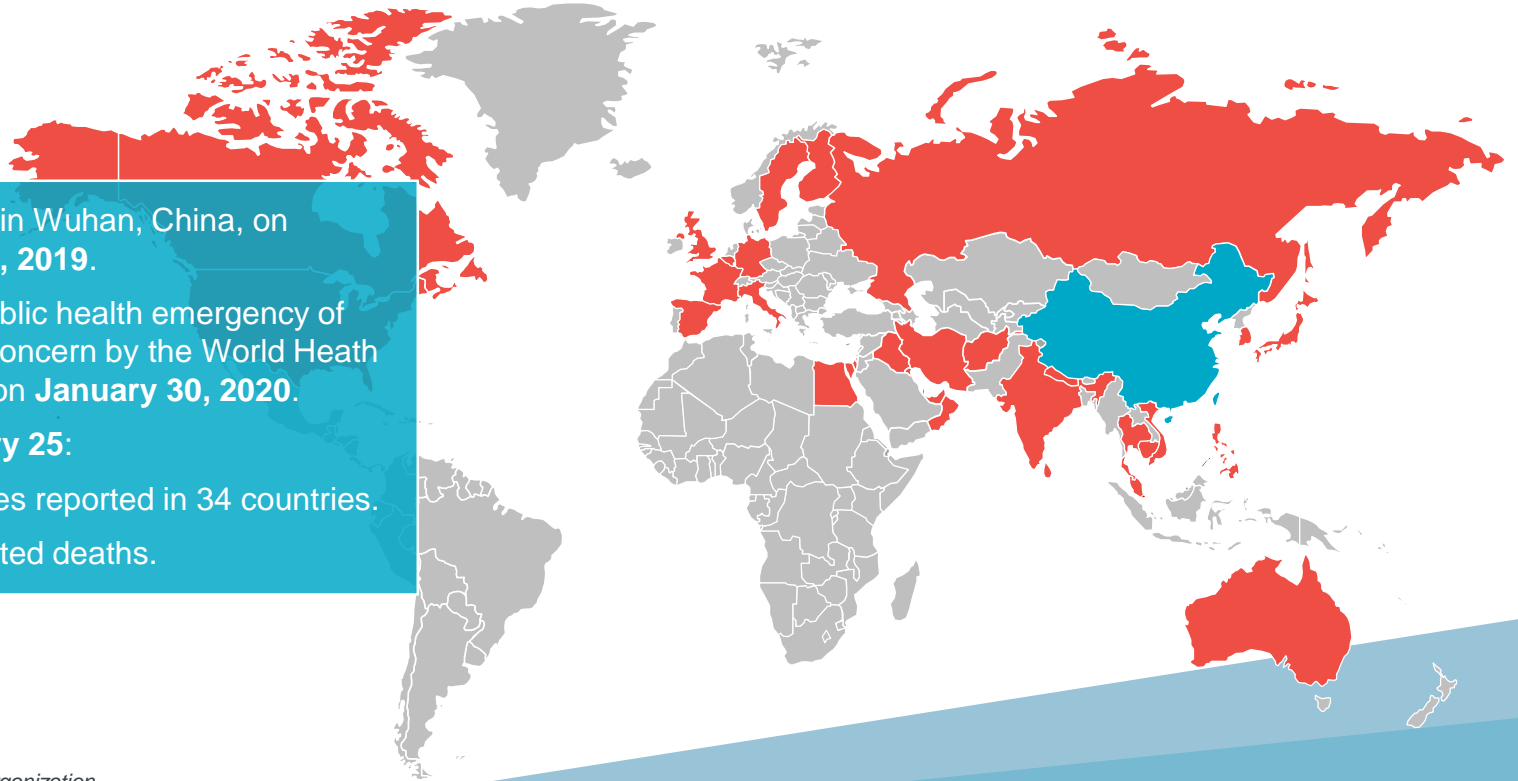
Coronavirus Planning, Response, and Recovery

February 26, 2020

Coronavirus Planning, Response, and Recovery

A Global Emergency

- First reported in Wuhan, China, on **December 31, 2019**.
- Declared a public health emergency of international concern by the World Health Organization on **January 30, 2020**.
- As of **February 25**:
 - 80,329 cases reported in 34 countries.
 - 2,700 reported deaths.



Source: World Health Organization

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A Global Emergency



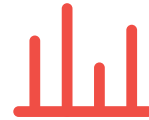
Hotel closures and reduced occupancy.



Flight, conference, and event cancellations.



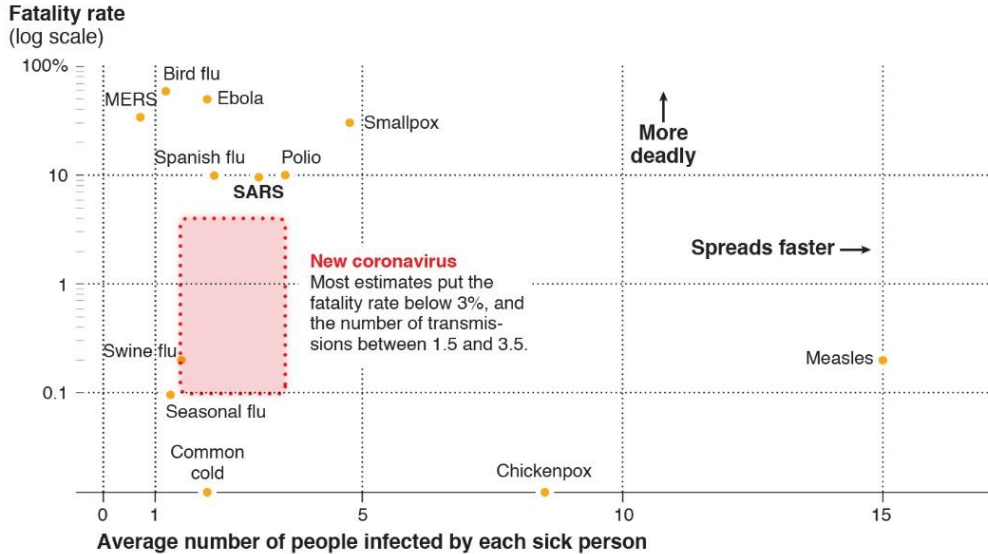
Global supply chains hit hard.



Economic and financial market impacts.

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A Global Emergency



Note: Average case-fatality rates and transmission numbers are shown. Estimates of case-fatality rates can vary, and numbers for the Wuhan coronavirus are preliminary estimates.

THE NEW YORK TIMES

COVID 19 CORONAVIRUS DISEASE

CORONAVIRUS DISEASE 2019 (COVID-19)

SYMPTOMS* OF CORONAVIRUS DISEASE

Patients with COVID-19 have reportedly had mild to severe respiratory illness. Symptoms can include

- Fever
- Cough
- Shortness of breath

*** Symptoms may appear 2–14 days after exposure. If you have been in China within the past 2 weeks and develop symptoms, call your doctor.**

www.cdc.gov/COVID19

31670-9 February 13, 2020 12:00 PM

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Government Responses

- Strict travel restrictions within China.
 - Regional lockdowns have been established in other countries.
- Governments have advised citizens against traveling to China.
 - Major international airports are screening travelers from China.
 - Several countries have evacuated citizens from Wuhan and elsewhere.
- Other countries are on high alert, with some closing borders and barring entry by some nonresidents.



What Should Businesses Expect From Governments as the Outbreak Continues?

- Tighter borders.
- More limitations on travel.
- Visa controls.
- Larger, more coordinated responses.
- Limited direct assistance to businesses.

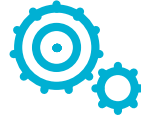
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Immediate Actions for Businesses



People

- Know where your people are.
- Be prepared to amend policies and plans based on evolving advice from governments and health officials.
- 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.
- Monitor resilience of suppliers' suppliers.
- Be mindful of competition for alternative suppliers' services.
- Review contractual liabilities.

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Business Continuity Planning

- Identify and protect critical business processes.
- Take into account potential increases in demand.
- Think about potential measures:
 - Consider allowing office workers to telecommute.
 - Alternatively, consider splitting teams in different locations or changing shift patterns.
 - Account for financial, business, and personal impacts of these actions.
 - Avoid taking disproportionate measures.



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Take a People-First Approach

- Employers can facilitate infection control by:
 - Reminding employees to wash hands properly.
 - Urging employees to stay home if feeling ill.
 - Making flexible work arrangements available where possible.
 - Coordinating travel as limitations evolve.
 - Encouraging employees to receive flu vaccines.
 - Enabling use of telemedicine instead of hospital and emergency room visits.
 - Communicating sound information to counteract fear and stigma.



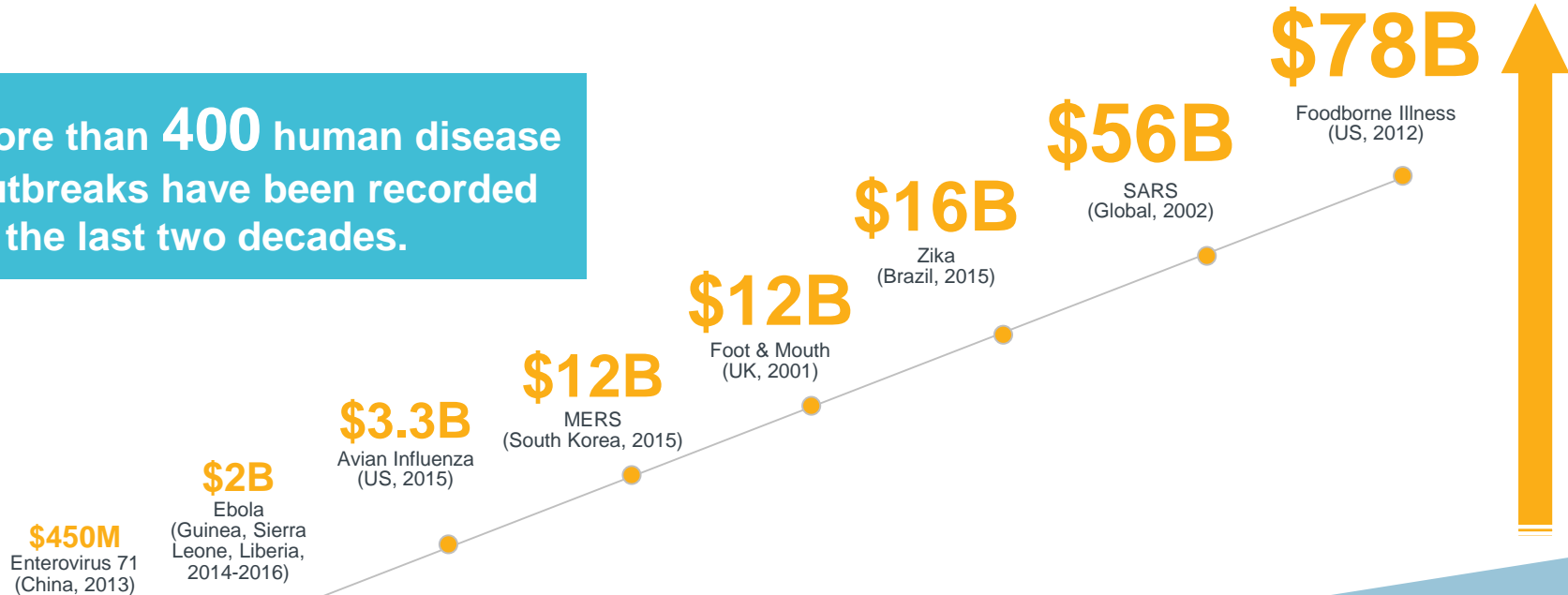
Where Can Businesses Find Reliable Information About COVID-19?

- [who.int/emergencies/diseases/novel-coronavirus-2019](https://www.who.int/emergencies/diseases/novel-coronavirus-2019)
- [cdc.gov/coronavirus/2019-ncov/index.html](https://www.cdc.gov/coronavirus/2019-ncov/index.html)
- paho.org
- [nhs.uk/conditions/coronavirus-covid-19](https://www.nhs.uk/conditions/coronavirus-covid-19)
- hgis.uw.edu/virus
- www.healthmap.org/covid-19

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The Significant Economic Risks of Infectious Diseases

More than **400** human disease outbreaks have been recorded in the last two decades.



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Linking Realistic Infectious Disease Scenarios With Business Portfolios



Using its extensive modeled disease catalog, Metabiota creates realistic outbreak progression scenarios, including potential business losses based on vulnerable revenue lines.

Source: Metabiota Analytics Platform

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Limited Coverage Available Under Traditional Policies

Workers' Compensation

- Disease claims may be compensable if they meet two conditions:
 - Occupational: arising out of and in the course and scope of employment.
 - Peculiar: the disease is found exclusively among or presents greater risk for certain employees.
- Coverage will depend on:
 - The facts of the case.
 - State and federal laws.

Property/BI

- If the virus is present on insured premises, policies could provide coverage for:
 - Decontamination costs.
 - Communicable disease cleanup.
 - Interruption by communicable disease.
- Contamination exclusions, however, could apply.

Other Policies

- General liability policies may cover customer illnesses.
- Pollution legal liability policies may cover cleanup costs.
- Employment practices liability policies may respond to discrimination claims.
- Directors and officers liability policies may cover shareholder litigation.
- Credit insurance policies may respond to nonpayment events.

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Preparing Your Claim

- Work with brokers and claims consultants to review and understand coverage.
 - Consider engaging legal counsel.
- Start gathering documentation.
 - Keep records of anyone entering your premises.
 - Document any relevant government communications.
 - Take note of any specific locations affected by any action or recommendation.
 - Measure financial impacts.



Potential Coverage Triggers

- Presence of virus on an insured's premises.
- Presence of virus at a customer or supplier location.
- Presence of virus in a nearby geographic area.
- Mandatory quarantines.

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Measure Your Financial Impact



Calculate the amount of loss.



Capture unusual costs separately.



Use insights for future risk mitigation and transfer decisions.

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Emerging Insurance Solutions

- Marsh is working to develop new risk financing options for outbreaks, epidemics, and pandemics.
- PathogenRX provides bespoke financial protection.
 - Can be customized to insure specific geographies and pathogen types.
 - Usually includes a dual parametric and indemnity trigger.
 - Coverage is not available for the current outbreak, but can be purchased for future events.



Coronavirus Planning, Response, and Recovery Planning Ahead

- Establish a working group focusing on this risk to:
 - Identify potential vulnerabilities.
 - Understand organizational preparedness.
 - Understand how existing plans work.
 - Keep employees well-informed.
- Working group should:
 - Include representation from across the organization.
 - Set precise criteria to implement policies and procedures.
 - Focus on employee communication.



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How Marsh & McLennan Is Supporting Clients

- Marsh colleagues are helping clients:
 - Understand how insurance may respond and identify new coverage opportunities.
 - Organize claims teams and identify needed information.
 - Model and assess potential operational effects, respond, and recover.
- Mercer is helping organizations manage the impacts of the outbreak on their people.
- Guy Carpenter is helping organizations reduce their potential pandemic losses through new risk financing solutions.
- Marsh & McLennan businesses are actively helping companies develop additional strategies to plan for and respond to future crises.

Managing the Risks of Outbreaks, Epidemics, and Pandemics



The ongoing COVID-19 outbreak is the latest reminder of the dangers that rapidly spreading disease can pose to businesses, governments, and people.

Read Marsh's report on outbreaks, epidemics, and pandemics to learn more about your organization's potential risks and the steps you can take to manage them.

Visit [marsh.com](https://www.marsh.com) to download your copy today.



Marsh is one of the Marsh & McLennan Companies, together with Guy Carpenter, Mercer, and Oliver Wyman.

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