

FOR THE EXCLUSIVE USE OF DOUG@FBPLANS.COM

From the Orlando Business Journal:

<https://www.bizjournals.com/orlando/news/2020/04/24/how-covid-19-has-changed-business-insurance-needs.html>

How Covid-19 has changed business insurance needs – and what to expect moving forward

Apr 24, 2020, 4:03pm EDT

The novel coronavirus has impacted nearly all Central Florida businesses in one way or another.

As a result, many small businesses here are seeking emergency bridge loans and/or stimulus funds to ensure they can continue to keep their employees paid and their business alive. Meanwhile, employers are grappling with the knowledge that when their businesses reopen, it will be to an altered reality.

Not only are they dealing with figuring out how to generate new streams of income and customers, they also are dealing with the loss of employer/employee friendships that some have cultivated over many years.

"As the number of cases and deaths grows exponentially each day, it has become glaringly obvious that the personal decisions we each make can affect thousands in our community," said [Brian Boone](#), president of the Lake Mary office of Toledo, Ohio-based insurance company Hylant Group Inc. "Many of our local leaders are having to make gut-wrenching decisions about how to stay afloat and move forward with little to no revenue. Some are having to strategize tough decisions, such as whether to maintain their employee base or to furlough them."

Given the scope of the uncertainties area businesses face, how to handle employee benefits is an issue that's now top of mind. So, *Orlando Business Journal* sought advice from some of Central Florida's top insurance brokerage firm's executives.

Here, they share insights on how the pandemic is affecting area businesses, how the industry reacted to the crisis and advice for employers:

On shifting needs

Carrie Cherveney, senior vice president of strategic client solutions/chief compliance officer, Employee Benefits Southeast, Hub International Florida: "Weeks ago, my clients' biggest frustration was finding and retaining talent in a highly competitive candidate market. Now, I've spent 10 hours each day on back-to-back phone calls with clients faced with unimaginable decisions. First, it was hospitality clients facing an overnight requirement to shutter dining rooms, and either lay off or furlough their workforces. After the initial impact on the hospitality industry took hold, the impact on general industry began to take shape. Unlike in hospitality, where the impact was swift and immediate, the general industry seems to have the opportunity for a more phased approach in its response. In the last few days, the calls have been about the various options available to organizations to remain viable, preserve reserves and reduce payroll expenses."

Doug Childers Jr., president and CEO, LassiterWare: "It is possible that we will see a significant rise in workers' compensation claims. This policy responds to workplace accidents or illnesses, and we are expecting a rise in claims, particularly in the health care labor force. Doctors, nurses and all health care professionals are on the front line and at risk. The life insurance market also stands to be impacted dramatically should the virus continue to spread. It does not

appear the vast majority of policies have actuarially accounted for an event like this. I do expect future policies to have an exclusion or be priced to include the risk of a novel virus such as Covid-19."

On what insurance providers have done

Cherveny: "Employee benefits carriers have been stepping up in unprecedented ways. For example, health insurance carriers are waiving coverage and eligibility provisions designed to limit accessibility to coverage. Many health insurance carriers are extending coverage to furloughed workers and waiving the eligibility requirement to be actively at work. Likewise, many carriers are allowing employees who previously waived coverage during open enrollment to enroll in the plan, ensuring they have coverage in the event they become ill with the coronavirus."

Advice for business leaders

Matt West, insurance advisor, O'Neil, Lee & West: "The situation is changing daily. For business that are partially or fully closed, renewing policies with large insurance premiums due can be challenging. Discuss with your insurance carrier or agent about extending the current policy or working out payment plans. Business insurance customers also can change existing policies to reflect a reduction in anticipated sales or payroll. Just remember: Once this is over and business ramps up, you should review your policy again or you could end up paying for a large audit when the policy period ends."

Brian Boone, local president, Hylant Group Inc.: "If you are a business leader, make sure you are consulting with your trusted advisers now to ensure you understand all implications and possibilities. Be cautious of those 'experts' who claim to have all the answers, as things are changing at extraordinary speeds and getting the right counsel is more important than ever. As we face this unprecedented situation, it's important for our local business leaders who are giving advice to be able to freely admit we may not have the answers yet."

On whether the industry was ready

Tina M. Craft, vice president of strategic solutions, Fringe Benefit Plans Inc.: "The insurance industry was ill-prepared and surprised by the pandemic. However, it collectively has been very prompt and nimble, and created programs and policies to best serve the employer and employee with strategic solutions. We all are learning skills and lessons that will change us forever as humans and business owners. We believe employers now have a deeper understanding for the need to offer a telemedicine program; partner with strong consultants to serve as thought partners; have the proper technology and equipment to support their businesses in a virtual manner; access to credit lines; and a leadership team ready to serve in the time of need."

West: "Insurance brokers and carriers were prepared for this pandemic from the standpoint of remaining open and serving customers. After all, we're in the business of anticipating the worst. However, insurance coverage for a pandemic of this magnitude is a completely different topic. This will be debated at great length throughout the industry as we move forward through this crisis."

Sign up here for our free morning and afternoon daily newsletters. And be sure to follow us on [LinkedIn](#), [Facebook](#), [Twitter](#) and [Instagram](#).

Denise Hicks
Research Director
Orlando Business Journal

