

Three questions with Chason Ishii of Atlas Insurance Agency on Covid-19



Chason Ishii, Atlas Insurance Agency's president.
ATLAS INSURANCE AGENCY



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Covid-19 has left many businesses with questions and confusion regarding what their insurance does — and more importantly doesn't — cover during the pandemic.

[Chason Ishii](#), president of Atlas Insurance Agency, spoke with Pacific Business News about how the industry has been affected, and changed the role agents now play.

"There are a lot of questions and uncertainty through these times within the insurance industry," Ishii said. "Today, more than ever, it's not just about the strength of relationships with an agent — it's paramount to be an expert and proactively educate businesses. There is an emphasis on people wanting someone who can help them navigate insurance products that are right for them. Agents must be truly in tune with changes, understanding and explaining all of the policy — what it covers and what it doesn't."

Atlas has had 98% of employees working from home on a daily basis since mid-March. But the scope of their job is changing.

"Our jobs go beyond insurance," he said. "We are working with clients on their return to work action plan. Businesses are finding they need the support. Industry insurers equipped to help are stepping up and taking a higher level of involvement with businesses."

Some businesses are finding they might not be as covered as they think. Ishii said that due to the pandemic, agents and clients are going through policies with a fine-tooth comb.

"Businesses are having a greater understanding of reducing risk," he said. "Businesses look for agencies that can identify, quantify and mitigate that risk. People need their agents to guide them through this. We put pandemic preparedness with a check list together, making sure businesses have the right CDC protocols. Normally these are things that the businesses would do themselves, but we are seeing a lot of the established insurance companies stepping up to work hand in hand with businesses on risk identification and mitigation."

What trends are you noticing?

The biggest question mark right now is on business interruption insurance. Unfortunately, there is not clear answer. It was to protect businesses if physical loss or damage occurred — it wasn't meant for a pandemic. There are gray areas.

The possibility of coverage for interruption by civil authority, such as government shutdowns, vary by insurer, so businesses must first determine where their policies pay out. It is extremely important to also do a deep-dive analysis of the entire policy definitions, every endorsement, so that meaningful discussions with insurers can take place on language of interpretation. So far, states have said there is no coverage.

Several states, including New York, Massachusetts and Ohio, are looking at legislation that would require insurers to make payments under business interruption insurance for businesses that have been impacted due to Covid-

19. This forced coverage adjustment is proposed to be repaid to insurers with varying degrees of an assessment across the industry. The number of states considering similar legislation is likely to increase. We don't know where this will end up. If legislation changes and forces coverage, you may be covered. We advise clients to keep everything documented — hard copies of financials, loss statements, procedures, government proclamations — in case legislation comes along that can change things.

We are seeing inquiries on directors' and officers' liability insurance. For the essential businesses that continue to keep their doors open, employers have an obligation to operate within the guidelines set by the Centers for Disease Control and Prevention and screen for employees who are possibly infected with Covid-19. If management is accused of failing to fulfill their fiduciary responsibilities when an employee contracts the disease and dies, his/her estate can bring a claim for the economic loss to the family. There already have been multiple lawsuits similar to this against a large retail chain. In addition, shareholders can potentially sue the directors and officers for the reduction in the share price because of the oversight.

Workers compensation is asked about a lot, but it doesn't cover every-day typical diseases, however it's arguable that healthcare workers might have a case if they do get Covid-19, arguing it is not a typical illness and they were exposed at a higher degree.

The biggest claim has been special event insurance claim. If the event was to cancel for whatever reason, you could be insured up to a dollar amount. One of the recent largest insurance claims in the industry was the Tokyo Olympics, estimated at a roughly \$2 billion coverage. We often write special event insurance products for events like concerts, businesses and weddings.

To me, cyber and crime insurance is now mandatory in a world like this. We have deployed a nationwide remote workforce, but the hackers of the world are aware that most of the security systems in place were not prepared for this shift to remote. Businesses have seen a spike in phishing attacks and ransomware attacks as attackers are using Covid-19 as bait to impersonate brands, misleading employees and customers. Cyber and crime are now hand-in-hand because ransomware attacks are only covered under crime insurance.

What does the industry look like moving forward?

The pandemic highlighted the fact that we play a greater strategic role. The way we do business moving forward, that landscape will be very different. Those days of face-to-face meetings, presentations, renewals, open enrollment, we're finding more companies are wanting to have more virtual options. We understand that and are preparing to adapt to that.

What do businesses need to know about insurance right now?

We're working really hard in putting together an interactive library of risk management services to help businesses navigate through scenarios like this. The industry understands and is sensitive to what businesses are going through, often waiving late-fees, and negotiated financing options, to alleviate financial burdens of the business community on a case-by-case basis.

Insurance expertise for renewals will be critical for mitigating risk. Insurers will integrate more specific exclusionary language and, perhaps, additional insurance products that target future pandemic or catastrophic type events. As a result, renewals will no longer be routine. All policies must be reviewed closely by a trusted expert for changes in exposure language, endorsements, specific exclusions, coverage limits and deductibles.

https://www.bizjournals.com/pacific/news/2020/06/01/three-questions-with.html?ana=e_me_prem&j=%job_id%%&t=Morning&mkt_tok=eyJljoiTnprek0yWTNPRESzTldZMCIslnQioiJ6eWx3SmNFOUpNXC9wVDY2YkExTW9PNFRMbWhzUStQK3dDR0l1QURXR0hUSng2YnNvb0lqcERWcjdHdXIUVAySUIHbTVEUk5rZnNCVXhyUGE1UldhZWtrY2w0dTc2S0NwRnBLYWVOejN6SFpUeXZzRW5wM3d5WHhkMGdkdXIVNWEifQ%3D%3D