



## Frequently asked Questions Insurance Coverage for The Business

CBM has reached out to our preferred partners to gather information to share regarding some of the most common questions being asked about insurance coverage as bankers navigate this unprecedented new territory.

*\*note: Much of the information coming out from various news organizations regarding coverage not being available for losses due to Covid-19 are not accurate. Review your policies and contact you insurance representation. Do not hesitate to report what may in fact be a valid claim.*

**Q:** How can I be sure I am compliant with changes in regulations?

**A:** Every bank should be studying, monitoring for change and verifying compliance with the most current restrictions the State has implemented, as well as the changes or restrictions that have been mandated by the Federal government.

**Q:** What can I proactively do to keep updated on insurance changes?

**A:** Every banker should visit the master website of the carrier providing all of their insurance. This could mean multiple sites if their executive risk related lines are written by one carrier and their property and casualty coverages with another.

Every major carrier checked is posting vital information and specific guidance on their website.

Also, contact you insurance representation to assist to analyze your policies' terms, conditions, and exclusions that might apply.

**Q:** Who do I call if I have questions regarding coverage or a potential loss?

**A:** If you become aware of any potential loss, insurance policies require immediate carrier notification. Contact your agent immediately. If the agent has questions they can't answer, the agent will contact the claims department of the carrier. Claims Departments are trained to evaluate potential loss scenarios.

In addition to notifying your insurance representation of any potential loss, be sure you accurately document the potential loss.

**Q:** To quickly address customer needs, can I temporary relax some of our internal controls to ease customer concerns?

**A:** Bankers should NOT be relaxing any of their internal control systems – in fact, they should double down and ensure heightened attention and training, as necessary. For example, if a wire transfer request required a callback before, now more than ever it should require it now to protect borrowers.

**Q:** Can I relax controls, like office opening and closing procedures, especially given we have closed our lobby to walk in traffic?

**A:** It can be tempting to reduce staff. Practice social distancing but keep them safe by still maintaining adequate staff. And ask bank management to afford flexibility to employees as best they can without compromising any internal controls for the safety of all employees and the bank.

**Q:** Can I obtain new coverage to cover losses resulting from the Covid-19 pandemic?

**A:** We have not identified a company willing to offer new coverage for losses incurred, however, companies are developing products for future pandemics.

**Q:** Do I currently have any property coverage for this pandemic?

**A:** Many policies have exclusions for virus related losses – contact your agent and carrier to confirm.

**Q:** Do Workers Compensation carriers cover this?

**A:** Contact your agent for clarification if a claimant developed the virus and can substantiate the illness was contracted at work.

**Q:** How do I know if my collateral protection coverages are sufficient?

**A:** Review your policy, and procedures, and contact the CBM for any assistance and guidance with review. We have experienced several years of growth and a strong economy and must ensure we have adequate coverages, processes and procedures for a downturn.

**NOTE:** If your bank has additional questions, please let us know and we'll continue to keep this document updated for the benefit of community bankers throughout the state.