



TMA Virtual Town Hall Meeting Minutes

Monday, April 6, 2020, 11:00AM-12:00 PM [ET] *via* GoToWebinar

Hosts: TMA President Don Young, *ADT* and TMA Executive Director Celia T. Besore

Special Guests: Robert Tockarszewsky, USI Insurance Services and
Mitch Reitman, Reitman Consulting Group

The meeting opened with a brief welcome by TMA President Don Young and Executive Director Celia T. Besore, which was followed by an orientation to the functionality of the GoToWebinar forum, specifically pertaining to the process for question presentation.

Ms. Besore then highlighted some of the newest resources that had been uploaded to TMA's website, which included:

- Mitch Reitman's presentation from his 3/30 Virtual Town Hall presentation;
- Four new state directives;
- New federal guidelines;
- New table containing state orders that explicitly member security services as essential;
- UL courses; and,
- A new section featuring insurance-related information resources.

President Young opened the meeting by introducing TMA member Robert Tockarszewsky, USI Insurance Services. Mr. Tockarszewsky is Vice President, Property & Casualty for USI. He has worked for several companies within the electronic security industry and has more than 20+ year of industry knowledge and experience.

Please view Mr. Tockarszewsky's presentation in its entirety on the TMA website.

Highlights from his presentation:

As most businesses work on their continuity plans, and begin to do business under these new business and societal 'norms' thanks to the impact of COVID-19, one of the areas you should stay updated on is with regard to the insurance markets.

One of the biggest topics involving insurance has been regarding Business Interruption (BI), and whether any policies would cover business losses due the negative impact of COVID-19 on their business.

According to Mr. Tockarshewsky, most claims for business losses will be filed under a company's property policy. However, there are five types of policies where companies could chose to file a BI claim for losses incurred:

1. Property/BI/Cargo
2. General liability
3. Workers' compensation
4. EPS (D&O; EPLI; PROF; Cyber)
5. International programs

The current state of the insurance industry remains very fluid regarding BI coverages – most policies will most likely not cover losses sustained. However, do not assume your claim will not be covered as future governmental and / or judicial decisions could reverse initial policy claim rejections.

Companies are strongly urged to document changes experienced by the business and its employees more than ever before. For instance, if an employee is confirmed positive for COVID-19, be sure to document it. There is no need in this circumstance to notify OSHA.

With a significant portion of employees now working outside of their normal workplaces, new liabilities and risks could arise. It is vital to reassess your company's risks and to mitigate or transfer risk to protect your business. These include, but are not limited to:

1. **Cyber breaches** – Make certain existing company IT protocols, policies and procedures to accommodate work being done on personal equipment, personal Internet, and such.
2. **Slips or falls within the home** – The employee's "work space" is now their home. Give careful consideration to new interpretations of injury on the job and workman's comp.
3. **Business interruption** – Keep detailed records of how your business has been impacted by COVID-19. If you opt to file a claim, documentation will be required to substantiate damages.
4. **Insurance premium payments** – If you find your company unable to pay insurance premiums, please contact your broker or carrier to discuss possible options. Many carriers have shown flexibility in delaying payment for a period of time, however understand you will need to make these payments ultimately.
5. **Reduce coverages** – In response to local, state, or federal directives, your business may not be functioning as normal. For example, if a portion of your company vehicles are no longer in use at this time, you may be able to save money by removing the 'collusion' coverage on those automobiles sitting idle. Ask your broker or carrier about the possibility of removing collision coverage temporarily.

Mr. Tockarshewsky recommends that businesses carefully review all insurance policies and have them readily available during this time. Be cognizant that there are new of these new business "norms" and remember that coverages must be maintained.

If your company is engaged in any construction currently, be sure to review timelines for contracts and loan documents (bonds).

Question #1: If a building/property is unoccupied during this time, is insurance required?

Answer/Discussion

Yes, coverage must be maintained. Contact your carrier to determine if any changes can be made.

TMA member and accounting expert Mitch Reitman returned to answer additional questions on the SBA loan and its application.

Question #2: If you have an employee who has been diagnosed with COVID-19, do you extend vacation time to cover time off?

Answer/Discussion

The IRS is releasing a form any day that employers can use to be reimbursed for salary paid to sick employees. The SBA loan is intended to cover any amount of money that is not covered by the IRS.

Question #3: What loans are available for businesses? What is allowed to be covered by the loan?

Answer/Discussion

There are two loans currently being offered by the SBA:

1. **Standard Economic Disaster Loan (EIDL)** – this is generally used in times of a catastrophic event such as a hurricane or tornado. The funds provided by this loan are to be used for uninsured losses and lost revenue.
2. **Payroll Protection Act Loan** – the purpose of this legislation is to keep employees on the payroll for two months so as to alleviate the need for unemployment. It is intended to cover payroll, health insurance, and rent/mortgage payments.

Companies may apply for both loans, but use of loan funds must be carefully documented. If you use funds from one loan for expenses designated under the other, you can/must reimburse. Be sure to speak with your tax advisor regarding these loans.

Question #3: What documentation is required for the loans?

Answer/Discussion

Please be patient. The guidelines for these loans are unclear. The banks are working to determine how to underwrite.

1. **Standard Economic Disaster Loan** – The SBA makes these loans directly to qualifying companies. There is an application online that details required documents.
2. **Payroll Protection Act Loan** – These loans are given by local SBA-approved banks. There is an application and the following documents are required:
 - a. Completed application (*Note: The application has some inconsistencies and has been revised. Additional revisions are anticipated.*)
 - b. Loan estimation sheet (*Note: The government is in the process of drafting this form.*)
 - c. IRS form 940 (Federal Payroll Taxes)
 - d. Proof that you have paid payroll (*Note: In the case of employees making over \$100k, only the first \$100,000 of compensation is included.*)
 - e. IRS form 941 (Quarterly tax payments – pg. 2 or 3 which shows the dates and amounts.)
 - f. Bank statements showing payment of Federal Tax Liabilities above
 - g. Details of paid health insurance premiums

- h. Eligibility use certification
- i. P&L statement from 2019

Question #4: What if an employee decides to self-quarantine?

Answer/Discussion

Consult with your employment lawyer. You may be able to be reimbursed. It is still very confusing. This presentation is about reimbursement credits for mandated leave.

Question #5: If you have employees on furlough, can you hire them back?

Answer/Discussion

Employers need to have at least 75% of their Full Time Equivalent employees working to qualify for the credit and benefits put forth in the Act. A company may hire back employees to reach at least 75% of their payroll as of Feb. 15th and qualify. The Act incentivizes employers to keep as many employees working as possible so to reduce the stress on the unemployment agencies.

Question #6: How do I determine how much I will be reimbursed and what will be forgiven?

Answer/Discussion

While there is a calculator available to help determine reimbursement and forgiveness, Mr. Reitman counsels companies not to rely on this calculator as it may not be accurate. Guidelines are very fluid and are changing rapidly. To his knowledge, no bank has actually made a loan yet.

Question #7: What type of PPE are installers or other customer-facing employees being asked to wear? Does anyone have a policy?

Answer/Discussion

Hand sanitizer used broadly. Masks and gloves are required by some, but not all.

A large company comments that customers are no longer permitted to come into their store – only drive-up service is now provided. The company is initiating a new Assisted Self-Install Kit this week. The installer will pick up a kit, or bag, and take it to the customer's home where he/she will do all of the installation required outside of the home. The customer then may attempt to complete the installation inside the home, with the technician assisting at his vehicle. Should the customer require assistance, the tech would put on PPE and enter the home. The techs want to wear PPE for their own protection.

Question #8: What measures do you have in place for the monitoring center?

Answer/Discussion

Companies are allowing employees to use PPE. Another has implemented staggered shifts to limit exposure with employees working in teams rather than round-robin. With regard to installations or service calls, a service manager contacts the home-owner to say that the tech has been confirmed in good health and to determine if anyone in the home is symptomatic prior to the visit. Techs are taking their temperature twice daily. Centers are exercising social distancing and maintaining supplies to disinfect keypads and mice.

Question #9: Have any techs been stopped by police?

Answer/Discussion

Attendees replied that generally no. There have been some instances in smaller jurisdictions of law enforcement stopping and questioning the need for the work. Techs have been provided letters confirming their role as an essential worker. One attendee shared a story of an installation in a NYC borough being stopped as it violated the state's directive. The techs were told that only service/repairs can be done at this time – no new installations.

Closing Statements:

- Leverage TMA staff for information, tools, and solutions
- Share relevant information with TMA and peers

Next Steps:

- TMA will host its next Virtual Town Hall meeting on Monday, April 13th at 11:00AM [ET] **via GoToWebinar** to discuss challenges and best practices for addressing COVID-19.