

# Mitigating Your AOAO's COVID-19 Exposures

*Tuesday, June 23*



# Housekeeping Rules

- Listen mode only for participants
- Questions will be addressed at the end during Q&A
- Submit all questions via the chat function



# Webinar Agenda

- 10:00 – Introduction
- 10:05 – Employee benefit compliance considerations
- 10:15 – Impact on insurance
- 10:25 – Minimizing Board liability
- 10:45 – AOO safety best practices
- 10:55 – Claims advocacy
- 11:05 – Audience Q&A
- 11:30 – End





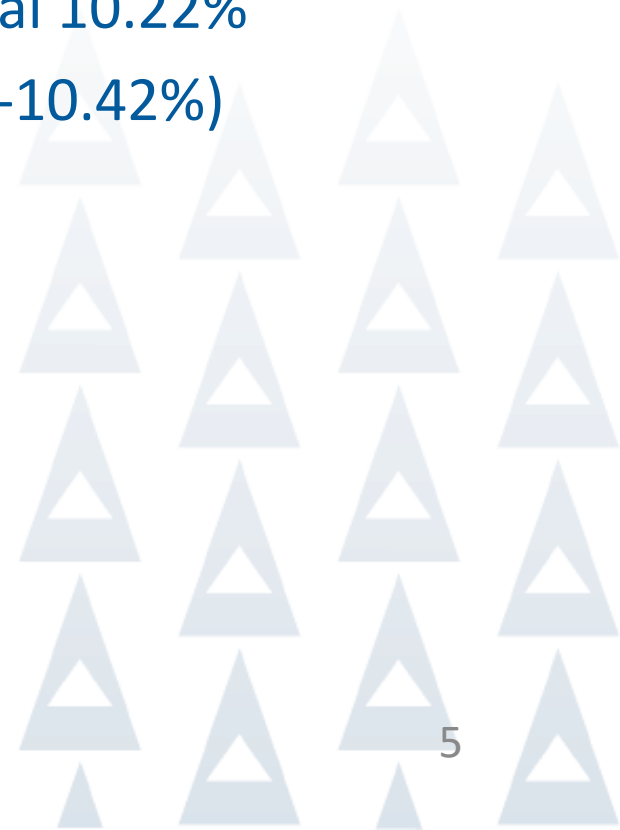
Employee Benefit Compliance Considerations

**BONNIE PANG**



# Employee Benefit Compliance Considerations

- What kind of increase should we budget for our medical insurance?
  - HMSA Small Group
    - Medical 4.2%
    - Drug 8.5%
  - Kaiser
    - Medical 4.3%
    - Drug 5%
  - HMAA
    - Medical 4.8%
    - Drug 2.5%
  - UHA Small Group
    - Medical 10.22%
    - Drug (-10.42%)



# Employee Benefit Compliance Considerations

- If we plan to return employees back to work, can we apply a 4-week waiting period as allowed under the Hawaii Prepaid Health Care Act?
  - In returning employees back to work, if leave is less than 13 consecutive weeks, the employee must be enrolled in the health plan with no waiting period or first of the month following, whichever is earlier.



# Employee Benefit Compliance Considerations

- Does the Affordable Care Act still apply?
  - Summary of Benefits & Coverages (SBC)
  - Exchange Notice
  - COBRA General Notice
  - Summary Plan Description
  - Medicare Notice of Creditable Coverage



# Employee Benefit Compliance Considerations

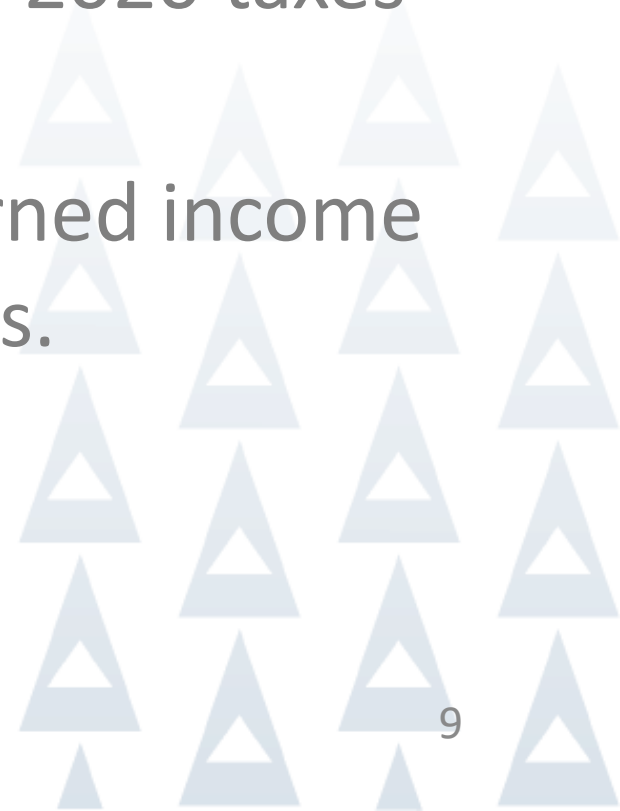
- If we plan to reduce benefit expenses what are my options?
  - Which benefits are most important to retain employees?
  - Which benefits can be offered as voluntary/supplemental?
  - Don't forget employees must receive 60 days notice in advance of any benefit changes.





# Employee Benefit Compliance Considerations

- What if my employee enrolls in the Hawaii Health Exchange?
  - Individuals may experience unexpected changes in income as they are furloughed and return back to work.
  - Variation in income could lead to inaccurate reporting of income and subject to tax penalties once 2020 taxes are reconciled.
  - Employees should keep good records of earned income to ensure they are still eligible for tax credits.





COVID-19's Impact on Insurance

**RON TSUKAMAKI**



# COVID-19's Impact on Insurance

- What have you been seeing regarding COVID-19 being covered by insurance?
  - Most carriers denying property coverage for business income
  - Liability issues
  - D&O concerns



# COVID-19's Impact on Insurance

- How is COVID-19 impacting the hardening market?
  - Poor losses for property, D&O, & umbrella
  - Mainland court rulings
  - D&O losses specific to Hawaii
  - WC exposure



# COVID-19's Impact on Insurance

- What are some additional exclusions AOAOs may see at their next policy renewal?
  - Carriers “looking” at their exclusions
  - D&O policy form updates





Minimizing Board Liability

# KAPONO KIAKONA





# Minimizing Board Liability

- What can AOA boards do to minimize their liability when reopening amenities?
  - Communication disclosures
  - Consistent reminders to residents
  - Waivers





# Minimizing Board Liability

- Many projects were put on hold due to COVID-19, when should these projects resume (i.e. service workers entering units)?
  - Can it wait?
  - Is the work essential?
  - Vendor precautions



# Minimizing Board Liability

- What is the notification process/laws if a resident tests positive for COVID-19?
  - Complicated
  - AOAOs not governed by HIPAA
  - Follow CDC notification guidelines



# Minimizing Board Liability

- What is an AOA's responsibility for enforcing the 14-day travel quarantine period whether offering legal vacation rentals or residents returning home from the mainland?
  - Criminal act to break quarantine (some exceptions)
  - Call authorities
  - Remain vigilant



# Minimizing Board Liability

- Is it the AOA's legal duty to protect residents?
  - What would a reasonable and prudent person do?
- If so, are AOA employees liable for not doing so?
  - Commercial general liability policy
  - Establish employee procedures





AOAO Safety Best Practices

# KEVIN CRAWFORD



# AOAO Safety Best Practices



# Overview



**Follow directives**



**Communicate**



**Safe Work Practices for Employees**



**Common Areas & Amenities**



**Professional Advice**

# Follow Directives



CDC & GOVERNMENT  
GUIDELINES



THESE GUIDELINES  
ARE THE BEST  
PRACTICE FOR  
PROTECTING AGAINST  
THE SPREAD OF THE  
VIRUS



GUIDELINES SHOULD  
BE BASIS OF  
REOPENING POLICY





# Importance of communication



REMINDER OF DAILY  
HOUSE RULES



ESTABLISH TRUST WITH  
MEMBERS



TAKING THE OVERALL  
SAFETY SERIOUSLY

# Communication Considerations

Message should be consistent

Minimize confusion

Communication methods

Think of members and staff or family

# Safe Practices For Staff

## Daily health checks

- Temperature screening
- Questionnaire-encourage open communication

## COVID training: documented

- Facts on the virus
- Steps if they are in contact with COVID
- Social distance
- Etiquette

# Safe Practices For Staff

Provide for safe work practices

- Hygiene/sanitization stations

Personal Protection Equipment (PPE)

- Face coverings

Discourage sharing tools/equipment



# Common Areas/Amenities

Does the benefit outweigh the risk?



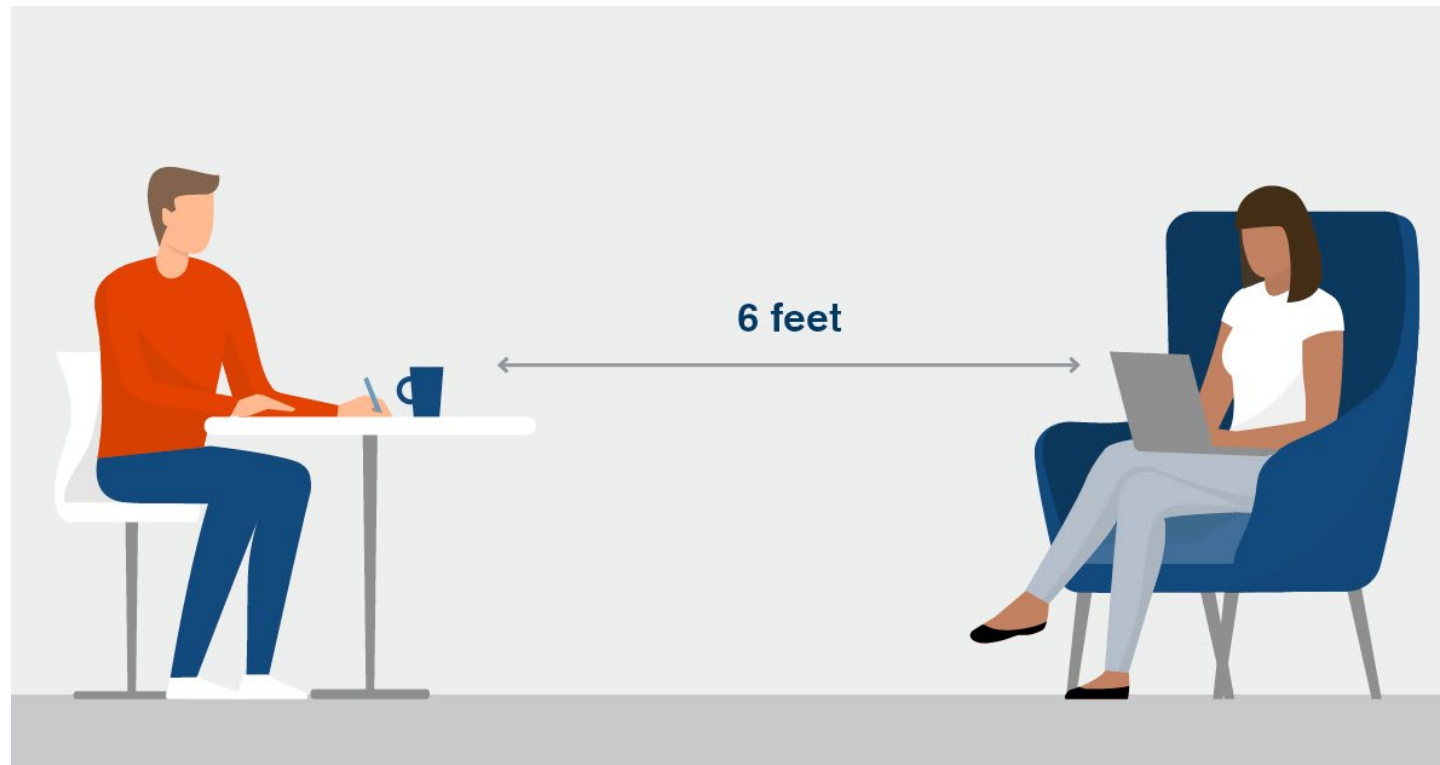
Identify high traffic areas

Buttons, tables, door handles



How are these areas going to be handled/monitored?

# Common Area/Amenities



- Promote social distancing
  - Move or remove equipment to allow for social distance
  - Reservations or scheduling for amenities
  - Amenity access for resident members only

# Common Area/Amenities



## Clean, disinfect common areas and surfaces

Install hand sanitizer dispensers

Provide wipes



## Share fact sheets and information



# Professional Advice



## Legal counsel

Uncertainty about opening  
liability concerns



## Janitorial Services

Training for staff  
Cleaning or disinfecting



## Risk Consulting

Identify risk or exposures



# Take Aways



Follow directives

Decision making and preventative practices



Communicate

Rules & current facts



Safe Work Practice for Employees

Employee wellbeing



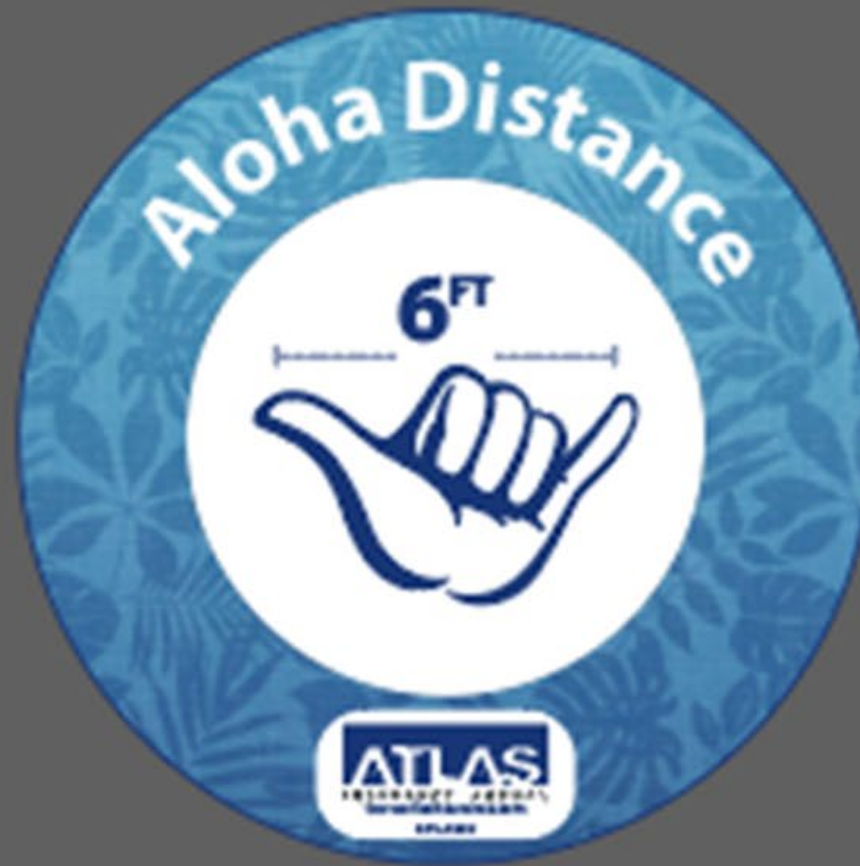
Common Areas & Amenities

Maintain guidelines and rules



Professional Advice

Uncertainty





Claims Advocacy

**KEANE MURANAKA**



# Claims Advocacy

- What is the role of an insurance agency's claim consultant vs an insurance carrier's claim adjuster?
  - Advocate on client's behalf
  - Analyze claims decisions



# Claims Advocacy

- What are some anticipated claims AOAOs may see in relation to COVID-19?
  - Potential claims over the use of amenities
  - Allegations against AOA for not taking necessary precautions



# Key Takeaways



# Key Takeaways

- Employee benefit compliance considerations
  - Remember to comply with Health Care Reform regulations
  - Premiums are expected to increase in 2021
  - Review your benefits, consider a core buy-up approach



# Key Takeaways

- **Impact on insurance**
  - Monitor court rulings
  - Additional exclusions
  - D&O form updates
- **Minimizing board liability**
  - Waivers
  - Consistent communication
  - Remain vigilant





# Key Takeaways

- AOA safety best practices
  - Follow directives
  - Communicate
  - Safe work practices for employees
  - Maintain guidelines and rules
  - Professional advice



# Q&A



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