

PCS Information Bulletin: COVID-19 Review

Due to client demand, PCS has decided to provide some information regarding COVID-19. This report is **for information purposes only** and **does not** constitute the designation of a PCS event. We have decided to provide this report simply to help the market understand the COVID-19 situation and to provide access to some of the resources our team uses daily for intelligence on this event. The information below comes from public sources. We may produce future updates, as well, and would like your feedback on whether we should do so (and how often).

So far, we have no plans to designate COVID-19 a PCS catastrophe or specialty lines event. We will continue to monitor the event for claim activity involving the classes of business on which we report and would only contemplate a change if it meets the specific criteria for any of our specific platforms. For example, we are watching for information on the cruise ships, in case they reach the reporting thresholds for PCS Global Marine and Energy. If you have any questions about this at all or want to discuss, please contact us. We are always eager to hear from you and want to make sure we're able to understand what's on your mind.

Many organizations are reporting on COVID-19. If you need to refer to an organization's data, it can be helpful to review their methodology, and even call them with any questions you may have. For news reports on the number of reported, confirmed, etc., it can be helpful to review articles to determine how sources are treated. Named sources can help you evaluate the reliability of the information. For news reports referencing anonymous sources, take note of how many anonymous sources are mentioned and whether they are described as having any proximity to official or reliable sources of information.

Please note that there has been no interruption to PCS operations as we have activated our business continuity procedures and are operating with our full staff. We continue to monitor the impact of COVID-19 on the insurance industry and will provide any updates as needed.

The screenshot shows the WHO homepage with a blue header and a red emergency banner. The banner reads "EMERGENCY" and "Coronavirus disease (COVID-19) outbreak" with a "Find out more" button. Below the banner are three main content blocks: "Country and technical guidance for COVID-19" with a photo of a crowd, "Novel Coronavirus (COVID-19) Situation dashboard" with a world map, and "COVID-19 quick links" with a list of resources including public advice, situation updates, media resources, technical guidance, and scam alerts.

World Health Organization homepage above (WHO.int)

Business Interruption and coverage questions:

The Insurance Information Institute (I.I.I.) has provided some insights regarding Business Interruption, Contingent Business Interruption and Liability coverages that may be considered regarding claims that manifest from COVID-19. The details on the guidance can be reached at the link below.

[I.I.I. – Potential Insurance Implications from the Corona Virus](#)

Latest Developments

- U.S. federal government has announced as of March 16 all schools across the United States should be closed for the next 15 days.
- More than 40 states have declared “states of emergency”
- On Monday, March 16, 2020, the city of San Francisco has declared a shelter in place action, being the first city to have declared an order of shelter at home - only leave for “essential” reasons, the strictest measures in America so far - San Francisco on lockdown [\[link\]](#).
- Many airlines are cancelling flights or suspending operations.
- Increased cyber threats have been reported through several news outlets, as bad actors seek to take advantage of work-from-home arrangements, including VPN vulnerabilities, phishing attempts [\[link\]](#), and Java-based malware deployment schemes [\[link\]](#). Companies writing affirmative cyber may find it helpful to engage with original insureds with information on how to prevent such attacks in order to mitigate the risk of loss. The United States Health and Human Services Department revealed that an attempt was made to hack their servers however the attack was unsuccessful [\[link\]](#).
- If you are using a search engine to find the latest WHO COVID-19 situation report, please note that the top search result may not be the most recent. Instead, use the link we’ve provided at the end of this report.
- The Insurance Council of Australia has used the WHO’s pandemic designation to call COVID-19 a catastrophe. **PCS has not issued a catastrophe designation for COVID-19 for any of the jurisdictions we cover, including Australia.** PCS reports catastrophes in the United States, Canada, Turkey, Mexico, Latin America, and the Asia-Pacific region for specific perils and classes of events. While we are monitoring the situation, we’ve not seen the relevant criteria reached.

COVID-19 and the impacted operators covered by the marine market:

Names	Status
MS Braemar	In the Bahamas, heading towards Cuba
Silver Shadow	Docked in Brazil, passengers in isolation
Silver Explorer	Docked in Chile, one passenger tested positive
Golden Princess	Cleared to set sail for Australia
Norwegian Jewel	Stranded in the South Pacific Ocean, no cases reported
Pacific Princess	At sea in the Indian Ocean, heading to Fremantle, Australia, but docking rights uncertain
Costa Luminosa	En route to Marseille

- PCS is monitoring potential insurance claims activity related to maritime vessels significantly affected by COVID-19. The vessels and current location are outlined in the chart below:
- Too early to tell what sorts of claims may come through or what the total impact to the industry will be
- Key issues include: whether there could be liability losses for passenger or crew member illness or death, how cleaning and disinfecting would be treated (if at all), whether denial of entry at ports will alleviate the burden on operators, and whether there will be significant issues from loss of hire or loss of itinerary
- Additionally, the market is already looking into whether such losses should or could be aggregated. PCS does not take a position on this currently, as only individual losses of at least US\$250 million are reported via the PCS Global Marine and Energy platform.

Background

At the end of December 2019 China alerted the World Health Organization (WHO) of several flu-like cases in Wuhan, the capital of Central China's Hubei province with 11 million population. Patients have been quarantined and health authorities commenced work on tracing the source of the flu. On January 1, 2020 the US Centers for Disease Control and Prevention has identified a seafood market in Wuhan as the suspected hub of the outbreak and the market remained closed since then. Screening and travel restrictions around the world had already been instituted. From that point on, the situation became fluent and on January 7, 2020, Chinese authorities identified the strain of virus as the COVID-19 virus. The first recorded death associated with the virus was on January 11, 2020 when a 61-year-old man, who was admitted to hospital on December 27, 2020 with suspected fever, died from the virus in Wuhan.

According to public sources (WHO, CDC Wikipedia, etc.), Coronavirus disease 2019 (COVID-19) is an infectious disease caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The disease was first identified in 2019 in Wuhan, China, and has since spread globally, resulting in the 2019–20 coronavirus pandemic. According to the WHO, the most common symptoms are fever, tiredness, and dry cough, whereas the CDC says to watch for fever, cough, and shortness of breath. Muscle pain, sputum production and sore throat are less common. While the majority of cases result in mild symptoms, some progress to severe pneumonia and multi-organ failure. The rate of deaths per number of diagnosed cases is estimated to be 3.4% but varies by age and other health conditions.

The WHO declared the 2019–20 coronavirus outbreak an international health emergency on January 22, 2020 and upgraded it to a pandemic on March 11, 2020 with multiple countries around the globe being affected.

Because a vaccine against SARS-CoV-2 is not expected to become available until 2021 at the earliest, a key part of managing the COVID-19 pandemic is trying to decrease the epidemic peak, known as flattening the epidemic curve through various measures seeking to reduce the rate of new infections. Slowing the infection rate helps decrease the risk of health services being overwhelmed, allowing for better treatment of current cases, and provides more time for a vaccine and treatment to be developed.

Many of those who die of COVID-19 have preexisting conditions, including hypertension, diabetes and cardiovascular disease. In a study of early cases, the median time from exhibiting initial symptoms to death was 14 days, with a full range of 6 to 41 days. In a study by the National Health Commission (NHC)

of China, men had a death rate of 2.8% while women had a death rate of 1.7%. In those younger than 50 years, the risk of death is less than 0.5%, while in those older than 70 it is more than 8%. Availability of medical resources and the socioeconomics of a region may also affect mortality

Useful Links

- US Government Federal Guidance - <https://www.usa.gov/coronavirus>
- Government of Canada Federal Guidance - <https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>
- UK Government Guidance- <https://www.gov.uk/government/topical-events/coronavirus-covid-19-uk-government-response>
- Government of Mexico Federal Guidance - <https://www.gob.mx/salud/documentos/nuevo-coronavirus-2019-ncov-comunicado-tecnico-diario>
- ESRI COVID-19 GIS hub: https://coronavirus-resources.esri.com/?adumkts=industry_solutions&aduse=local_state&aduc=email&adum=list&utm_Source=email&aduca=mi_smart_communities&aduco=coronavirus_hub_resources&adut=950533&adupt=awareness&sf_id=7015x000000iQIAAA2&aducp=operational_second_body_text
- WHO COVID-19 situation reports: <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports>
- CDC Overview Page: <https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/summary.html> (includes links to testing locations, nature of transmission, etc.)
- Insurance Information Institute Corona Virus Toolkit - https://www.iii.org/sites/default/files/docs/pdf/covid19_toolkit_03162020.pdf
- Pharmaceutical technology [Coronavirus COVID-19 outbreak: Latest news, information and updates](#)
- CNN Live Coronavirus pandemic updates: <https://edition.cnn.com/world/live-news/coronavirus-outbreak-03-17-20-intl-hnk/index.html>

If you have information that could be useful to PCS or the industry and would like to share it with us, please contact Tom Johansmeyer (+1 441 799 0009 / tjohansmeyer@verisk.com), Ted Gregory +1 201 253-6866 / tgregory@verisk.com), or your regular PCS contact. We'd be happy to connect with you. All information supplied will be held in the strictest confidence and only be used to inform industry-wide analysis that is fully anonymized.