

# COVID-19 CORONAVIRUS RISK BULLETIN FOR BUSINESS OWNERS PLANNING FOR SHUTDOWN OR REDUCED OCCUPANCY

## ALLIANZ RISK CONSULTING

**Are you planning to shut down business operations or reduce the time you occupy facilities during the COVID-19 Coronavirus pandemic? If so, the following are best practices of a high quality risk management approach.**

All of the recommendations are technical advisory in nature from a risk management perspective and may not apply to your specific operations. Please review recommendations carefully and determine how they can best apply to your specific needs prior to implementation. Any queries relating to insurance cover should be made with your local contact in underwriting, agent and/or broker.

### LOSS PREVENTION MEASURES

Maintain all sprinkler systems, including water supplies such as fire pumps, in automatic service. Monthly recorded inspections of the sprinkler control valves should ensure they remain locked in the open position. If provided, fire pumps should continue to be exercised weekly to verify proper operation.

Provide sufficient building heat in all areas subject to freezing, such as sprinkler systems, domestic water lines, process equipment and piping, etc. Ambient temperatures throughout the building, including remote and concealed spaces, should be maintained at 40 degrees or higher. The building thermostats will need to be set sufficiently higher in order to achieve this objective. Be aware that some manufacturing occupancies rely on the process or operations to provide sufficient building heat (for example,

textile mills, molten material operations, etc.). When these processes or operations are scaled-back or temporarily shut down, action may need to be taken to provide supplemental building heat.

If an unexpected impairment of the fire protection system occurs and the plant personnel onsite are unfamiliar with these systems, assistance can be provided by Allianz Risk Consulting (ARC). Guidelines will be offered for limiting the scope and duration of the impairment, including what precautions to take during the impairment period to reduce property loss potential.

Maintain the fire/burglary alarm system in service. If onsite security is not provided, a weekly recorded visit should be undertaken (at a minimum) to perform a thorough inspection of the property, watching for unsecured areas of entry, inadequately heated spaces, impaired fire protection or fire alarm supervision, roof leaks, pipe breakage, fire or structural damage.

If fire/burglary alarm service is not provided, provide onsite security service consisting of hourly recorded rounds covering all important areas of the property.

Shut off unused processes and equipment following established procedures and constantly monitor any processes, equipment, boilers, furnaces, etc., that must remain online. Return all combustible and flammable liquids to the appropriate storage areas (flammable liquids room, safety cabinets, etc.).

Bear in mind that emergency services agencies may require emergency access at any time. It is therefore essential that appropriate emergency responders be notified as to the status of the premises, precautions taken and contact for access to building.

### NOTIFICATIONS

Notify broker and Allianz of plans for shutdown or reduced occupancy.

ARC is available to review and consult surrounding proposed changes in operations and to evaluate new potential hazards and controls.

Implement best practices as appropriate to adequately address new hazards and controls.

## MATERIAL CHANGE IN CONDITIONS

Business owners need to understand the obligations to notify the carrier and accurately represent material changes in conditions. Coverage implications may result from a failure to disclose/notify material changes in operations or conditions.

**NOTE:** Self inspections and onsite security service should be provided as recommended above when not in conflict with local authorities having jurisdiction (AHJ).

## Available resources\*:

**Download ARC's Real Estate: Don't Be Idle, Take Care of Vacant Buildings risk bulletin.**  
<https://www.agcs.allianz.com/content/dam/onemarketing/agcs/agcs/pdfs-risk-advisory/risk-bulletins/ARC-Real-Estate-Dont-be-Idle-Take-Care-of-Vacant-Buildings.pdf>

**Download the ARC Tech Talk Idle and Vacant Buildings.**  
<https://www.agcs.allianz.com/news-and-insights/risk-advisory/tech-talk-volume-25-idle-and-vacant-buildings.html>

**Download the ARC bulletin Real Estate: Preventing Building Fires.**  
<https://www.agcs.allianz.com/content/dam/onemarketing/agcs/agcs/pdfs-risk-advisory/risk-bulletins/ARC-Real-Estate-Preventing-Building-Fires.pdf>

**Download the ARC risk bulletin Fire Protection Impairment Management.**  
<https://www.agcs.allianz.com/content/dam/onemarketing/agcs/agcs/pdfs-risk-advisory/fire-impairment-management/ARC-Fire-Protection-Impairment-Management-EN-US.pdf>

Official coronavirus guidance from the Government of Canada.

<https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection/being-prepared.html>

Canadian Government official site for business resources.

<https://www.canada.ca/en/services/business/maintaingrowimprovebusiness/resources-for-canadian-businesses.html>

<https://www.agcs.allianz.com/news-and-insights/expert-risk-articles/coronavirus-safety-measures-shutdown.html>

## QUESTIONS OR COMMENTS?

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