The first known outbreak of Ebola happened in 1976 in a village near the Ebola River in the Democratic Republic of Congo and has since infected thousands of people. The current outbreak of Ebola virus is the deadliest in history, having infected over 9,000 people and killing more than 4,500 according to estimates from the World Health Organization. Ebola infection is characterized by a sudden onset of fever, intense weakness, muscle pain, headache and sore throat. Ebola is thought to be carried by fruit bats and transmitted to people from contact with infected animals. Transmission of the virus amongst people occurs as a result of direct contact with blood or other bodily fluids of infected humans.

The current Ebola outbreak has spread throughout Sierra Leone, Guinea, and Liberia, and has caused a swift and immediate reaction from the Centers for Disease Control and Prevention (CDC) and the World Health Organization (WHO). On August 8, the WHO declared an international public health emergency, formalizing the severity of the outbreak and demanding an immediate response to
help stop the spread of the virus. In an official statement, they stressed the serious consequences of an international spread of the virus given the “virulence of the virus, community and health facility transmission patterns, and weak health systems in the currently affected and most at-risk countries.” The CDC have issued several travel notices for the affected countries warning against all nonessential travel and have announced the deployment of 50 additional disease control experts to the region. The situation on the ground is evolving quickly and poses a threat not only to companies with operations in the region but to all companies who have employees that may come in contact with the Ebola virus while traveling internationally.

What Should I be Concerned With?

Most companies are concerned with two main areas when facing a pandemic like Ebola—personnel risk and an interruption of normal business operations leading to a loss of revenue. Personnel risk arises from the potential for employees to be sickened or die after coming in contact with the Ebola virus. Employees at risk may require immediate evacuation if infected or at risk of infection. This can cause complex logistic and financial burdens as companies seek to protect their most valuable assets—employees.

Although the first priority for many companies is to protect the well-being of their employees, many companies are also concerned about how this outbreak will affect their operations and revenues. Companies with operations in the affected areas include oil and gas operators, mining companies, and humanitarian aid organizations as well as those who rely on the raw materials or commodities in the area. The outbreak of Ebola has caused curfews to be enforced in countries like Liberia as well as voluntary evacuation of employees by many companies, causing work sites and retail locations to completely cease operation. Global supply chains have been disrupted as ports and borders are partially or completely closed, and companies across Western Africa have closed their doors. In general, many companies have seen an abrupt halt in productivity coupled with a rise in prices for many critical services in countries like Liberia, Sierra Leone, and Guinea. The unprecedented size and scope of this outbreak has caused many companies to question what their response should be and whether insurance products are available to them that may assist.
Recommended Response

Stay Informed

Given the fast-moving nature of this particular Ebola outbreak, the first thing companies should do is to stay on top of developments and announcements made by the key organizations involved. The websites of the WHO and CDC should be consulted regularly to ensure that any corporate decisions made don’t violate international healthcare recommendations. Additional available resources can be found on the State Department’s website, where you can find current Travel Warnings, Travel Alerts, and the Worldwide Caution. Country-specific information is available for Liberia, and a Traveler’s Checklist can be consulted on the U.S. State Department’s website.

Activate Contingency Plans

With the potential for employee illness or death and likelihood of operations being interrupted, companies should be taking measures to protect the health and safety of their employees. Alternative production sites and supply chain partners should be used to reduce the impact on revenues. For those organizations where operating revenue is donor driven, perception and public relations of how a company handles this crisis may impact future operations. Donors want to know that the organization has the best interests of their volunteers and employees in mind and are prepared to deal with a crisis before trusting that company with their donations in the future, so having a contingency plan in place is vital. If not incorporated already, the CDC-issued protocols (Infection Control for Viral Hemorrhagic Fevers in the African Health Care Setting) should be incorporated into company manuals and closely followed.

Prevention

At the moment, no known treatment or vaccine is available for Ebola. New drug therapies have shown promising results in laboratory studies and are currently being evaluated and tested, but it could be months or years before anything is available. As a result, education around the disease and ways to prevent infection is critical. All nonessential travel to Sierra Leone, Liberia,
and Guinea should be avoided at this time. Healthcare workers and others on the ground in these affected countries should avoid unprotected contact with blood or bodily fluids of people and animals suspected of being infected. Indirect contact with victims’ fluids on bedding or medical equipment should also be avoided, and extreme hygiene and caution should be practiced.

If there is any suspicion of infection, local health authorities should be contacted immediately. Ebola shares many symptoms with other tropical diseases like malaria, and prompt diagnosis is essential.

Use of Insurance

In the event that the need arises to evacuate an employee or provide either emergency or routine medical care, insurance may be able to mitigate the cost and complex logistics associated. The insurance options available for an Ebola-caused business interruption and subsequent loss of revenue are much more restricted, but there are still options available in the market.

Business Travel Accident

Travel accident policies would typically be relied on to facilitate the movement and payment for an injured or sick employee. Unfortunately, evacuation coverages under BTA typically do not cover the cost of evacuation because of an epidemic or pandemic disease. There is no exclusion for medical evacuation if someone were to actually be diagnosed with Ebola, but the voluntary evacuation of employees is typically not covered. Any covered evacuations are subject to the approval of health authorities in both the originating and receiving country—for example, if the U.S. government were to decide not to allow the medical evacuation of a patient known or suspected to have Ebola, the insurer could be stopped from performing the services. Another consideration is the availability of flights and possible cancellations of evacuation flights due to security concerns. The large demand for evacuations and closure of borders prove caused a bottleneck in travel into and from countries like Liberia, Guinea, and Sierra Leone. This may result in evacuation carriers willing to repatriate an employee but unable to due to logistics and restrictions.
Health Insurance

At the moment, there are no specific coverage restrictions related to the outbreak of Ebola, and within the boundaries of country regulations, standard health insurance policies are expected to respond. If the scope of the outbreak was to increase exponentially, there may be problems associated with hospitals overwhelmed by the volume of patients, but the risk of such a scenario is thought to be low.

Liability-Based Exposures

General Liability

The principal exposure will be alleged negligence. For example, you may face allegations that you failed to protect a customer or invitee from being exposed to the virus. Your preparation and reaction to an “outbreak” will become critical, both from a potential coverage and reputational standpoint.

Whether your general liability policy will provide any protection is a subject of debate. Availability of coverage will depend on your specific situation. However, several key policy exclusions could mean that you have no coverage, especially if you are in the retail, service, or food industry:

- Expected or Intended—Injuries that could have been expected are excluded. Carriers may argue that any prudent person would have known there was an increased exposure to Ebola.
- Pollution—Pollutants are defined as any solid, liquid, gaseous, or thermal irritant or contaminant, including waste. This exclusion is fairly broad, and in many cases depends upon case law in determining what is considered a pollutant.
Bacteria—Carriers may argue that this exclusion applies. A virus is different in that it includes DNA or RNA in its genetic makeup.

**Directors and Officers Liability**

Directors and officers can anticipate shareholder suits in the event companies are inadequately prepared to handle a pandemic that hurts the company’s business. Such preparation might include consideration of the previously mentioned protocols posted by the CDC.

Shareholders may allege that directors and officers failed to perform the necessary contingency planning and to disclose the risks an Ebola outbreak could have on the company’s business and financial results.

Generally speaking, there are few issues that would affect coverage available for shareholder claims related to an Ebola outbreak. Most D&O policies exclude claims for sickness and bodily injury. Such exclusions should not bar coverage for shareholder claims seeking recovery of economic loss. Some exclusions are drafted more broadly though, and apply to claims that directly or indirectly involve bodily injury. Such an exclusion could preclude coverage for shareholder claims.

**Workers’ Compensation**

In determining coverage for potential workers’ compensation losses, insurance carriers will initially attempt to determine if the exposure was obtained while the individual was in his or her scope of work. Traditionally, workers exposed to a higher risk than the general public will be covered, such as healthcare workers. However, increased exposure due to business-related travel or the endemic disease coverage under the foreign voluntary extension of a WC policy may ultimately trigger coverage for other groups of workers as well.

Potential policy exclusions that are expected to be closely examined by carriers include:

- Your serious and willful misconduct.
- Your failure to comply with health and safety laws or regulations.

Note that the exclusions mentioned here would apply to the additional benefits the employer may be required to pay as a result of their willful misconduct or failure to follow safety guidelines. The state required benefit should still be paid by the policy.

Exposures to pandemic-type illnesses may also include employee liability claims by workers’ families alleging contraction of the pandemic-related illness. Allegations may include the failure of employers to utilize reasonable care in the protection of workers and their families.
Property/Business Interruption

If organizations are forced to temporarily close their operations due to pandemic-related issues, they will seek business interruption coverage under their insurance coverage. Most policies trigger coverage for business interruption only after the policyholder has experienced a direct physical loss to the premises in question caused by a covered peril. Thus, insurance carriers will closely examine if the temporary closure of a policyholder’s business was due to a contamination. An evaluation will then be made to determine if the contamination (temporary or permanent) is considered a direct physical loss of the premises.

Business interruption coverage may also extend to temporary closures due to “dependent properties,” such as a major supplier to the policyholder. In addition, coverage may also be extended when civil authorities prohibit access to the policyholder’s premises due to a direct physical cause of loss of another property. This may include the restriction of access to a contaminated entertainment or shopping venue in which the policyholder housed their business.

Lockton Option Available

If coverage cannot be found under the standard property policy due to a lack of physical damage, specialized coverage for pandemic-related business interruption exposures is available through a policy Lockton developed in coordination with underwriters in London. The policy is tailored to the specific industry of the insured and provides a greater certainty of coverage intent with wording designed to mitigate some of the business interruption concerns created by this outbreak. The policy can cover a loss of business income and incurred expenses where no physical loss or damage occurs to the property. Another possible coverage offered is a voluntary closure of premises due to circumstances beyond the insured’s control or for communicable disease related interruption. Although limited elements of this coverage have historically been available as a bespoke extension to a property policy, this policy is one of the first to combine capacity of up to $100M USD with the full complement of covered perils offered.

Conclusion

The latest outbreak of Ebola is deadly and wide ranging in its spread and has affected many companies and organizations around the world both directly and indirectly. Companies face risks to both their employees and their revenues. By staying informed on the latest developments, developing or activating contingency plans, educating employees to prevent the spread and infection of the disease and using available insurance, companies can reduce the impact of this outbreak.

Sourced Throughout: [Centers for Disease Control and Prevention](https://www.cdc.gov) and [World Health Organization](https://www.who.int)
Our Vision

The partners of Lockton Global® will deliver uncommon results for clients by sharing resources, expertise, information, and a passion for unparalleled service.