

**CRN International Trade & Market Development Committee
Covington & Burling's COVID-19: Evolving Considerations for Global Business
Tuesday, March 10, 2020
Call Summary**

On Tuesday, March 10, 2020, Covington & Burling held a teleconference call entitled "COVID-19: Evolving Considerations for Global Business". During the one-hour call, a number of C&B experts made presentations covering a wide range of key economic topics.

Covington & Burling experts are available to discuss any of these topics. The key presenters and contact info is appended to these notes.

Contracts (Nigel Howard; nhoward@cov.com): Many contracts contain "Force Majeure" clauses to cover risks outside the parties' purview or knowledge, i.e. unforeseen, at the time the contracts were finalized and signed. The financial losses due to the COVID-19 epidemic/pandemic may or may not be covered under *F.M.* as the date of contracture will be a key consideration. Even under *F.M.*, there is the expectation that obligations will be met via alternative sources as the duty of all parties is to mitigate the disruptions irrespective of the additional costs to comply.

SEC Disclosure (Matt Franker; mfranker@cov.com): Public companies must still meet their SEC disclosure obligations; however, there has been guidance released on seeking an extension in SEC reporting. Such extension must still be documented as to why, and when reporting will be completed. Annual Shareholder meetings that are contemplating changes from physical to alternate options (postponement, change of venue, virtual attendance, etc.) must meet all expectations in notifying shareholders to ensure participation.

Business Continuity and Containment (Chris Walter; cwalter@cov.com): Business must manage their workforce and have policies in place for either mandated physical attendance or equitable work-from-home policies. Flexibility and mandatory/voluntary self-quarantine procedures must be in place. Discriminatory procedures must be examined regarding use of sick-leave, and pay and benefit coverages. Collecting personal information, especially health-related information if done, must be done fairly, at the least intrusive level as needed, and with a secure level of data protection in place. Health data disclosure to outside health agencies must be balanced with privacy concerns. Contingencies for worst-case scenarios must be in place now before such plans are needed.

Insurance (Ben Lenhart; blenhart@cov.com): Several types of standard insurance policies may offer relief to businesses during the COVID-19 crisis. Cancellation insurance, if in place, will offer the most protection regarding meetings and failure to deliver. Property policies could cover cost of clean-up as well as lost revenues. Pollution legal liability policies may cover the cost of decontamination of work-sites and incoming and outgoing products. General liability insurance could cover the cost if a person or company is sued for causing a COVID-19 infection or outbreak. Directors and Officers insurance can cover corporate actions regarding any actions caused by COVID-19.

Public Health Authorities and Quarantine (Trisha Anderson; tanderson@cov.com): Federal, state, and local policies authorities have the “power” to mandate quarantines and public gathering bans. There are external quarantines to prevent ingress and egress at the country-country level, as well as State-State level, whereas internal quarantines cover movement within a jurisdiction. CDC is the ultimate authority over external quarantine measures, with power over border controls, including foreign visitors, and planes and ships. State and local mandates can be in place for internal quarantines to address when a person is at risk to communicate the disease, and may include mandatory or involuntary quarantines with harsh penalties for noncompliance. The President can declare National and Defense Emergencies to mobilize all relevant Departments, expedite supplies and emergency assistance, and other measures.

Crisis Management and Mitigation (Dan Feldman; dffeldman@cov.com): Obviously there are massive disruption and “social distancing”, the latter as schools, workplaces, and gatherings are shut-down. A company needs to have coordination within its senior staff covering government relations, human resources, and information technology to offer options for continuity. Companies need a “play book”, with a full communication plan, a chain of command, authorized staff spokespersons, social media platforms, checklists and templates, and contact lists already in place.

COVID-19: Evolving Considerations for Global Business

Briefing Call Panelists

¹ Denotes speaker slotted for Session 1; ² Denotes speaker slotted for Session 2.

Introduction



Doug Gibson¹ is Chair of Covington's Management Committee, and is responsible for the overall direction of Covington's strategy and operations.



Emily Henn², a Palo Alto-based partner and member of the firm's Management Committee..

Supply Chain



Matt Franker is closely tracking the SEC reporting issues related to COVID-19 and will cover these issues as they relate to supply chain considerations.



Nigel Howard will cover COVID-19 implications for commercial and financial contracts, including *force majeure* clauses.

Employment



Lindsay Burke² is advising clients on global employment issues related to the outbreak.



Chris Walter¹ is advising clients on global employment issues related to the outbreak.

Insurance



Ben Lenhart is advising clients on the broad insurance considerations related to COVID-19, including business interruption costs, event cancellations, and more.

Policy Considerations & Crisis Management



Trisha Anderson is one of the firm's leading resources on national security and will cover various issues that companies ought to consider during this time.



Dan Feldman will cover state and local regulatory reactions to the spread of the virus, global policy considerations, and PR/communications.

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