

COVID-19: Temporarily closing a facility or downsizing operations “Idle Property”

If you have to shut down your business and/or vacate your building due to governmental order (or if you voluntarily shut down in the spirit of governmental order) as direct result of COVID19, in order to ensure continuity of insurance coverage, you must immediately make your insurance broker aware that you’re shutting down (so that they can advise your insurer) and then take steps to protect the premises. Additionally, you must visit the property at least once every 3 days (72 hours), and maintain a prudent level of care, control and maintenance. This includes adequately maintaining security systems and utilities. If you anticipate remaining shut down past **June 30, 2020**, you must again inform your broker and obtain a **vacancy permit** on your policy for coverage to continue past this date.

Security Precautions

1. Have or maintain on-call personnel to assist in emergencies.
2. Secure all building openings (doors, windows, roof access etc.).
3. Consider boarding up or reinforcing ground level building openings.
4. Maintain or consider installing electronic surveillance and monitored burglar alarm systems.
5. Consider adding or increasing the frequency of security patrols.
6. Install motion activated exterior lighting and interior lights on timers.
7. Display Monitored Alarm and Video Surveillance signage.
8. Lock interior doors to increase the compartmentalization of the building.
9. Post your emergency contact information at the entrance to your business.
10. Prevent vegetation from obscuring windows and doors.
11. Remove cash and, to the extent possible, other valuables from the premises.

Fire Prevention

12. Maintain all fire protection equipment, most notably sprinkler systems and fire extinguishers in accordance with the advice of your maintenance professional.
13. Chain, lock and/or supervise all interior and exterior fire sprinkler control valves in the fully open position.
14. Visually inspect sprinkler control valves and portable fire extinguishers at least once per week.
15. Ensure all sprinkler and smoke/heat detection alarm systems are operational and monitored.
16. Close all fire doors and maintain them in good operating condition. If fire doors must remain open, verify that they are operational with automatic closing devices.
17. Remove combustible material and residue from machinery.
18. Remove all waste materials from the premises.
19. Remove flammable and combustible liquids or place in existing flammable liquids storage room or cabinet.
20. Power down all non-essential equipment and disconnect all unnecessary power supplies.
21. Remove any dry vegetation surrounding your building.
22. Remove exterior trash containers.
23. Avoid using portable heaters except in emergencies.

Protecting Idle Property (Cont'd)

Preventing Water Damage and Other Hazards

24. Maintain adequate heat throughout the building to prevent waterlines from freezing.
25. Ensure dewatering/water management equipment remains operational.
26. Regularly (weekly) inspect the building's envelope (windows, doors, roof) and drains.
27. Remove perishables to prevent vermin infestation.
28. Maintain adequate building ventilation.
29. Lubricate and/or cover equipment to protect from corrosion.
30. Shut off domestic water (not sprinklers) supply.
31. Keep emergency access routes to your building clear but otherwise limit vehicle access and parking.

DISCLAIMER: The illustrations, instructions, and principles contained in the material are general in scope and, to the best of our knowledge, current at the time of publication. Our risk control services are advisory only. We assume no responsibility for: managing or controlling customer safety activities, implementing any recommended corrective measures, or identifying all potential hazards. Note that you may have specific security warranties on your policy which will still apply during temporarily shut down. No attempt has been made to interpret any referenced codes, standards, or regulations. Please refer to the appropriate government authority for interpretation or clarification.