



3/26/2020

As COVID-19 continues to evolve and spread as a health issue impacting communities and businesses worldwide, we want to assure you that BXS Insurance is committed to providing uninterrupted service to our clients while focusing on the safety of our employees and their families. [View our FAQs here.](#)

We have compiled a list of recommendations and best practices specific to the construction industry.

As several state and local authorities are mandating shelter-in-place orders, you may find your business not listed on the "essential" business list. Contractors who are not deemed "essential" could potentially face delays and disruptions.

At this time, we recommend that our construction clients review all existing contracts with their legal counsel for relevant clauses on the issuance of mandatory notices, e.g., force majeure, delay, suspension and termination provisions.

Additionally, we have provided an article from the National Association of Surety and Bond Producers (NASBP) that may provide additional guidance, as well as links to websites with additional information and resources regarding COVID-19.

Mississippi AGC <https://www.msagc.com/covid-19/>

Louisiana AGC <http://www.lagc.org/covid-19-resources.html>

Alabama AGC <https://www.alagc.org/covid19resources>

Arkansas AGC <https://www.agcar.net/>

Mississippi ABC <https://www.abcmisissippi.org/COVID-19>

Alabama ABC <https://www.abc-alabama.org/>

Louisiana ABC <https://www.abclouisiana.org/>

Arkansas ABC <https://www.abcark.org/>

ABC <https://abc.org/Safety/Emergency-Preparedness-Recovery-Resources>

During this unique time, you and your business may experience the following:

- Supply chain disruptions
- Worker illnesses that may result in projects being shut down or delayed as workers self-quarantine
- Schedule delays and increased project costs
- Potential suspension of work and/or termination for convenience declarations by owners on existing contracts
- Delays in awarding and/or starting new work
- Potential project funding issues by both private and public owners

While these risks remain, it has been recommended that you consider taking the following actions to better protect your company:

- Consult with legal and insurance/risk advisors and involve them in planning and policy implementation for COVID-19.
- Review all existing contracts and potential new contracts carefully. Pay close attention to clauses relating to force majeure, termination, suspension, owner funding, and/or change orders in the contracts. Determine responsibilities and rights as respect to these clauses.
  - This language may control the outcome of any potential claims against a contractor by the owner and/or subcontractors and suppliers (read subcontracts, too), as well as potential counterclaims and remedies against these parties.
  - Possible remedies for contractors may include additional time and, possibly, additional compensation on a particular project.
  - However, to access these remedies, it is critical the contractor comply fully with owner notice provisions as they relate to the force majeure or changes clause. Failing to file notice in a timely manner could time-bar an otherwise valid claim.

- Even if there are not any known impacts today, we recommend contractors provide the owner with written notice that the World Health Organization identified the COVID-19 outbreak as a pandemic on March 11, 2020, and this event could result in potential delays and additional costs that are outside the contractor's control. Then, as the impacts become better known, you will be able to document the details in your claim.

Finally, we have included recommended practices for construction job sites from the AGC's Houston chapter along with posters provided by the Center for Disease Control (CDC) to place around job sites as reminders for everyone. Please review and share this information with your crew members, vendors and subcontractors.

[\*COVID-19 Recommended Practices\*](#)

[\*Symptoms of Coronavirus Disease 2019\*](#)

[\*Poster: Stop The Spread of Germs\*](#)

[\*Poster: Stop The Spread of Germs \(Spanish\)\*](#)

[\*COVID-19 Guidance for Contractors\*](#)

We are monitoring the COVID-19 situation and will keep you informed of changes to the above recommendations. If you have any questions, feel free to reach out to your agent or account manager.

BXSI Bond Department