CorporateLiveWire

INSURANCE & RISK MANAGEMENT 2021EXPERT GUIDE

www.corporatelivewire.com



SNAPSHOT:

CYBER INSURANCE & RISK
MANAGEMENT IN COVID TIMES - P8

BEHIND THE MASK

PPE COMPLIANCE IN THE POST COVID-19 WORLD - P24

NAVIGATING INSURANCE COVERAGE

OF CYBER RISKS - P16







Expert Guide | Insurance & Risk Management 2021

Behind the mask - A look at how mask wearing during the COVID-19 pandemic may improve PPE compliance in the post COVID-19 world

By Caroline Gieser & Colin Kelly



Caroline Gieser

cgieser@shb.com +1 470 867 6013 www.shb.com





Colin Kelly

ckelly@shb.com +1 470 867 6012 www.shb.com



Undoubtedly, the COVID-19 global pandemic has changed many aspects of ordinary life for people throughout the world in deeply negative ways. Personal protective equipment (PPE) requirements, temperature checks, and social distancing have become not just routine but a daily requirement of living. As inconvenient as these practices seem in private life, they are likely to have a long-lasting positive impact in manufacturing, agriculture, healthcare, and food service industries well after the pandemic. Increased comfort and use of PPE in daily living may be the silver lining of the pandemic when it comes to changing habits to ensure better long-term health and safety in the workplace.

Employers have long had to combat the dangerous habit of workers ignoring workplace

PPE policies despite longstanding and well-known safety and health benefits.¹ As recently as 2019, lack of respiratory protection was in the top 10 most violated Occupational Safety and Health Administration (OSHA) standards.² Non-compliance with respiratory protection can be very costly for employers both from the standpoint of short-term insurability and long term general liability risk. OSHA estimates that the average cost of a workplace respiratory injury is \$86,127, with \$41,013 attributed to direct costs and \$45,114 attributed to indirect costs.³

1. Wright, T., Adhikari, A., Yin, J., Vogel, R., Smallwood, S., & Shah, G. (2019). Issue of Compliance with Use of Personal Protective Equipment among Wastewater Workers across the Southeast Region of the United States. International journal of environmental research and public health, 16(11), 2009. https://doi.org/10.3390/ijerph16112009.

24

In the pre-COVID-19 world, a study of waste-water treatment workers evaluated the positive and negative predictors for PPE compliance.⁴ The only positive predictors the study found for PPE use in the workplace were "susceptibility and perceived severity of contracting an occupational disease." The study also found a direct correlation between managers being inconsistent with their own PPE use and PPE non-compliance amongst their employees. Conversely, a study of auto mechanics found that having management committed to PPE compliance and providing employees with information about the occupational health risks they face may improve PPE usage.

While mask wearing is a hallmark of the COV-ID-19 pandemic that some resisted from the start (and many are eager to leave behind), continued emphasis on and conditioning with PPE usage should ultimately have a positive impact in future injury and PPE compliance data, particularly in the industrial working environment.

Although mask wearing in 2020 and 2021 has been exclusively focused on reducing the spread of COVID-19, this same habit has been shown to be effective at reducing other res-

25

piratory viral infections.⁸ The CDC's influenza surveillance reveals that seasonal influenza activity has been lower in the 2020-2021 influenza season than it has been in previous years.⁹ Similarly, widespread consistent PPE usage has the potential to reduce non-COV-ID-19 related respiratory injury in the workplace and thus reduce costs to employers and workers' compensation insurers.

If perceived severity of contracting an occupational illness is a positive predictor for PPE compliance¹⁰, it would be worthwhile for employers to focus the same energy on emphasising the severity of possible respiratory injury in the workplace that they have on emphasising the contagious nature and harmful effects of COVID-19. Additionally, given the direct correlation between management PPE use and worker PPE use, it is imperative for management to continue to lead by example with PPE compliance outside of COVID-19 recommended protocols.

Once the pandemic subsides, employers must still combat social and personal barriers to PPE usage in the workplace. Workers with high risk-accepting personalities have been found to be less likely to be compliant with PPE re-

^{2.} https://www.osha.gov/data/commonstats

^{3.} https://www.osha.gov/safetypays/estimator

^{4.} Wright, T., Adhikari, A., Yin, J., Vogel, R., Smallwood, S., & Shah, G. (2019). Issue of Compliance with Use of Personal Protective Equipment among Wastewater Workers across the Southeast Region of the United States. International journal of environmental research and public health, 16(11), 2009. https://doi.org/10.3390/ijerph16112009.

^{5.} *Id*. 6. *Id*.

^{7.}Torp, S., Grøgaard, J. B., Moen, B. E., & Bråtveit, M. (2005). The impact of social and organizational factors on workers' use of personal protective equipment: a multilevel approach. Journal of occupational and environmental medicine, 47(8), 829–837. https://doi.org/10.1097/01.jom.0000167275.13079.8d.

^{8.} Liang, M., Gao, L., Cheng, C., Zhou, Q., Uy, J. P., Heiner, K., & Sun, C. (2020). Efficacy of face mask in preventing respiratory virus transmission: A systematic review and meta-analysis. Travel medicine and infectious disease, 36, 101751. https://doi.org/10.1016/j.tmaid.2020.101751.
9. https://www.cdc.gov/ftu/weekly/index.htm

^{10.} Wright, T., Adhikari, A., Yin, J., Vogel, R., Smallwood, S., & Shah, G. (2019). Issue of Compliance with Use of Personal Protective Equipment among Wastewater Workers across the Southeast Region of the United States. International journal of environmental research and public health, 16(11), 2009. https://doi.org/10.3390/ijerph16112009.

quirements.11 One pre-COVID-19 study of agricultural workers found that workers with more "risk accepting personalities" were more willing to mix pesticides without wearing PPE than those who were categorised as "risk adverse."12 While no studies are available yet, it would be safe to presume that these same individuals are being required to wear some PPE to engage in daily living (restaurants, schools, grocery stores, etc.) during the COVID-19 pandemic. Just as these risk-accepting workers are being targeted with signs, warnings, and refusals of service if they do not comply with PPE requirements during the COVID-19 pandemic, they likewise should be the focus of management's PPE compliance efforts. The economic ramifications of PPE compliance have been known to employers and workers' compensation insurers alike since long before the pandemic.

Leveraging COVID-19 PPE usage habits into permanent risk management controls is not just about risk mitigation—it's good business. Even pre-COVID-19 efforts to increase PPE usage in the workplace were effective at bringing drastic cost savings to employers. In a PPE case study, one employer saw a more than 40% reduction in workers' compensation premiums over a four-year period with focused PPE usage training and implementation.¹³

11. DellaValle, C. T., Hoppin, J. A., Hines, C. J., Andreotti, G., & Alavanja, M. C. (2012). Risk-accepting personality and personal protective equipment use within the Agricultural Health Study. Journal of agromedicine, 17(3), 264–276. https://doi.org/10.1080/1059924X.2012.686390. 12. Id.

13. Ring, K. (2010). Proper use of PPE and its relationship to Workers' Comp. costs. EHS today, https://www.ehstoday.com/health/article/21906882/proper-use-of-ppe-and-its-relationship-to-workers-comp-costs.

While most people are counting down the days until they can go to restaurants, grocery stores, and schools without a mask, industrial company managers and legal/risk departments should be gearing up to count the positive effects of post-COVID PPE compliance and usage in the workplace.

Caroline has a nationwide practice defending clients in a variety of matters, including product liability, business and employment litigation, class action and complex litigation and medical malpractice. Additionally, she has served as counsel to the receiver in receivership matters and counsels clients on bankruptcy-related issues. Caroline earned her J.D. with honors from Emory University School of Law, where she was Order of the Coif, and served in corporate and litigation externships. She is a recipient of the State Bar of Georgia Labor Section Award for Outstanding Achievement in Labor Law.

Colin focuses his practice on defending consumer product and manufacturing companies against product liability, mass/toxic tort and commercial litigation matters. He has significant experience in bet-the-company crisis management and was on the team that defended the largest industrial disaster in Georgia. Colin has provided individual counseling and class action strategies for companies of all sizes faced with false labeling claims by state agencies in California and consumers in Florida and New York, particularly in the area of eco-friendly or "natural" products. Colin serves as the managing partner of Shook's Atlanta office.

