



## CRISIS FORESIGHT

The COVID-19 pandemic has pushed businesses into uncharted territory. Organisations are now facing novel exposures regarding legal and financial liability, particularly as these liabilities relate to the safety and security of both employees and company data and systems security. Businesses, large and small, must now balance the swift implementation of radical protective measures for their workforce and customers, whilst endeavouring to protect the continuity, and indeed survival, of their businesses.

Those businesses that can continue operating have typically moved a large portion of their activities to the homes of their employees. Whilst on the surface, a Work from Home (WFH) model seems an obvious solution, there are many not-so-obvious risks that businesses must manage when shifting to this model. Chief amongst these are emerging legal liabilities, and potential gaps in your organisation's insurance coverage.

### **Consider your responsibilities to employee safety**

When it comes to the health and safety of WFH employees, it is critical that employers understand they still bear the same level of responsibility for the safety of their employee's home work environment as they do when an employee is based in an office or on a work site. Employers should ensure that the homework station of an employee meets the occupational health and safety standards identified in the Occupational Safety and Health Act 1984. A safety assessment of an employee's homework station should be carried out prior to the employee commencing WFH. To support you in this, we have provided a free WFH workstation safety review on our website

Organisations must also consider the emotional health and well-being of their employees. Shifting to a WFH model can make it more difficult for employers to gauge and monitor how an employee is feeling in relation to job satisfaction, workloads, potential workplace bullying (over email, phone, etc.) and stress. Whilst a WFH model has many benefits, some employees may find it quite isolating and as another reduction in the opportunity for much-needed social interaction in a time of social distancing and increased stress. We have provided a free WFH employee wellbeing checklist on our website to help managers and organisations consider how to manage this new challenge.

### **Consider your Insurance**

When employees switch to a WFH model, there are three main areas of insurance coverage to consider — injury to an employee, injury to a customer, and the safety of property and equipment.

#### **Injury to an Employee**

While your employee may not be working on your premises, it is still your responsibility to provide a safe work environment. If an employee sustains an injury in the course of their work while at home, it is your responsibility to ensure they are still covered under your Workers Compensation insurance. Bear in mind that psychological injury is also claimable under workers compensation.

## **Injury to a Customer**

If an employee who works from home also sees customers at home as part of their employment activities, then organisations must ensure that they have an adequate level of public liability coverage in place.

## **Property and Equipment**

If your organisation holds General Property insurance, typically all business equipment should be covered regardless of the location in which they are used. However, the below points should be considered;

- Items worth more than \$2,500 must usually be specified under your policy in order for that property to be insured.
- Property of an employee is usually not covered by the business insurance and will need to be protected under the employees home and contents insurance policy.
- Data loss or compromise that occurs when an employee's personal computer falls victim to a hacking or a virus attack is typically not covered under either your business insurance policy or the employee's home and contents insurance policy.
- If one of your employees undertakes work-related tasks at home that causes damage to their home or their property, it's unlikely your business insurance policy will cover the loss.

The WFH model often requires employees to use their own home internet connections, which are typically less secure than networks available on company premises. Additionally, given the short timeline in the shift to the WFH model as a result of COVID-19, many employees are now using personal devices and computers to complete tasks. Again, these are unlikely to have as many network safeguards and controls as company-furnished equipment. Such a shift to less secure equipment and networks presents much greater opportunities for hackers to infiltrate vital company systems. Notably, since the beginning of the COVID-19 pandemic there has been a documented rise in cyber attacks and phishing scams have increased by as much as 4,000%. It is critical to review how such shifts to less secure networks and equipment may affect any existing insurance coverage in place relating to data compromise or systems outages.

It has been shown worldwide that those organisations with the greatest resilience to unexpected and prolonged disruption are those companies who demonstrate proactive and accelerated thinking. By consulting our "Working from Home Managers Guideline" and "Working from Home Self-Checklist", you are going a long way to adhering to your obligations as specified under the Occupational Safety and Health Act 1984.



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Further reading can also be found by referencing the following documents:

What you need to know about employees working from home - <https://www.steadfast.com.au/well-covered/insurance-for-growing-business/what-you-need-to-know-about-employees-working-from-home>

The risks of letting employees work from home - <https://www.smh.com.au/business/small-business/the-risks-of-letting-employees-work-from-home-20141127-3las1.html>

Everyone's Working From Home Due to the Coronavirus - Is There Insurance Coverage for a Data Breach? - <https://www.lexology.com/library/detail.aspx?g=e5e469fd-f959-4c3e-aa41-195d5c915b49>

### **Need More?**

Get in touch with us, including for advice for how we can support your organisation during the COVID-19 pandemic, at [info@mettle.global](mailto:info@mettle.global)

### **About Us**

Since 2001, Mettle Crisis Leaders have been a specialist crisis and emergency management, business continuity, risk and leadership consultancy. We are recognized market leaders in the delivery of risk and resilience solutions.

Our Partners are ex Special Air Service (SAS) Officers, now armed with MBAs. We understand risk and can correctly contextualise it to the contemporary stressors in your operating environment.

In 2019 we delivered 175 projects in 23 countries. We assist clients to achieve increased resilience, from the Control Room to the Boardroom.