

Forensic Accounting & Complex Claims Practice – Fact Sheet

COVID-19



Forensic Accounting & Complex Claims Overview

The Forensic Accounting & Complex Claims (FACC) Practice at Willis Towers Watson assists clients in the preparation, quantification and resolution of large and complex claims. We work with our client and claim advocates to quantify loss amounts, gather necessary supporting documents, prepare and submit the claim on the client's behalf, manage the entire claim and maximize recovery within the parameters defined by the policy.

The COVID-19 outbreak is likely to result in damages sustained by entities across all industries. Regardless of insurance coverage or other financial relief, the resulting financial damages sustained should be addressed, captured and quantified. Our team has decades of experience in dealing with catastrophes and complex losses, and has been at the forefront of worldwide disasters. FACC is available to assist clients through this unique situation with potential recoveries from insurance policies, FEMA and any other governmental funding.

FACC is available to assist in the quantification of economic damages related to the examples below:

- Property & Casualty Claims
- Event Cancellation
- Supply Chain Disruption
- Civil Authority and Restrictions
- 3rd Party Damages
- Environmental Claim
- FEMA Claims
- CARES Act
- Other Potential Federal Relief

Potential Business Impacts Sustained by Companies

Companies are faced with voluntary and involuntary closures, partial operations, travel restrictions and significant uncertainty. They may sustain financial losses resulting from the inability to use or operate the property. Most common are:

- Loss of sales/revenue
- Loss of production
- Cancellation of events
- Loss of service income
- Supply chain disruption
- Operating inefficiencies impacting margin
- Refunds to patrons

Potential Damages Sustained by Companies

Direct Damages

- Cleaning of property
- Decontaminate and disinfect property
- Removal of debris, contents and contaminated goods
- Internal Labor Charges

Indirect Damages / Extra Expense

- Operating inefficiencies resulting in lower margins
- Payroll expense to employees while the location(s) affected are not operating
- “Out of pocket” and temporary expenses incurred to mitigate the impact while partially operating (e.g. meals purchased for employees, electronic equipment)
- Any other expenses incurred above and beyond normal and due to the pandemic (i.e. medical supplies)

Compilation of Documentation

The financial damages sustained should be addressed, captured and quantified. In order to best represent the full economic damages your company sustains, we suggest compiling the following information:

- A daily time line - List of location(s) impacted, date of closure and reason for closure
- Obtain any official reports/communication from the civil authority ordering the shutdown
- Create a GL Account to capture all loss related data
- Identify or assign a person to be the main contact during this process to have “one voice”
- Invoices and/or receipts to support all expenses incurred as a direct result of COVID-19
- Historical monthly budgeted and actual income statements Maintain forward looking budgets that do not consider the impact of COVID-19.
- Historical monthly budgeted and actual production volumes. Maintain forward looking production budgets that do not consider the impact of COVID-19.
- List of any cancelled sales, contracts, orders, appointments, and/or refunds given to customers, along with the relevant supporting documentation for each
- Payroll records during the impacted period of time

Each applicable policy of insurance must be reviewed to determine the extent, if any, of coverage for COVID-19. Coverage may vary depending on the jurisdiction and circumstances. For global client programs it is critical to consider all local operations and how policies may or may not include COVID-19 coverage. The information contained herein is not intended to constitute legal or other professional advice and should not be relied upon in lieu of consultation with your own legal and/or other professional advisors. Some of the information in this publication may be compiled by third party sources we consider to be reliable, however we do not guarantee and are not responsible for the accuracy of such information. We assume no duty in contract, tort, or otherwise in connection with this publication and expressly disclaim, to the fullest extent permitted by law, any liability in connection with this publication. Willis Towers Watson offers insurance-related services through its appropriately licensed entities in each jurisdiction in which it operates.

COVID-19 is a rapidly evolving situation and changes are occurring frequently. Willis Towers Watson does not undertake to update the information included herein after the date of publication. Accordingly, readers should be aware that certain content may have changed since the date of this publication. Please reach out to the author or your Willis Towers Watson contact for more information.

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