



United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, N.W.
Washington, D.C. 20240

IN REPLY REFER TO:

ELECTRONIC COPY, NO HARD COPY TO FOLLOW

April 8, 2020

(2410)

TECHNICAL BULLETIN

To: Reginal Concession Chiefs

From: Chief, Commercial Services Program

KURT RAUSCH

Digitally signed by KURT RAUSCH
Date: 2020.04.13 11:54:40 -04'00'

Subject: Technical Bulletin: 2020 Insurance COVID-19 Information

The Service requires concessioners to obtain and maintain insurance in accordance with the terms of its concession contract. Concessioners must provide a certificate of insurance at the commencement of the contract and then annually thereafter. NPS Management Policies prohibit concessioners from operating without general liability insurance. Concession contracts may also require property insurance if the concessioner has assigned lands and facilities. Unless the contract is amended, these contract requirements are retained even if a concession operation is ordered to administratively close and some or all operations are suspended due to the COVID-19 virus.

The Commercial Services Program along with our Insurance IDIQ Consultants and the Department of the Interior Office of the Solicitor recommend not allowing concessioners to cancel or amend their insurance required by current concession contracts.

Information about Insurance:

- COVID-19 generally is not covered by Business Interruption Insurance (BII).
- Some insurance carriers recognize lower exposure due to reduction in sales, payroll, automobile use, etc., mid policy term, which could lower premium costs.
- Many states have enacted short-term regulations that prevent insurance carriers from cancelling policies for any reason, including nonpayment of premiums.

Issues and Concerns (if a concessioner cancels an insurance policy now):

- Premium costs may rise significantly once operations return from COVID-19 guidelines. Premium costs could also increase if a concessioner were to have cancelled their policy and were attempting to be reinsured.
- Insurance carriers and brokers have or may downgrade (based on A.M. Best Co. Inc. Insurance Ratings) below the Service A- rating requirement.
- The concessioner's ability to acquire or reacquire commercial property or liability insurance policies may be significantly impacted. As a result, concessioners could have difficulty acquiring insurance they have cancelled policies, thus limiting their ability to restart services to meet contract requirements.

Actions:

- Park managers and concession specialists should not agree to any concessioner requests to waive insurance requirements at this time.
- Concessioners may independently consult with their insurance agents/brokers regarding their policy and changes in operating status and their carriers policies under the National separation policy. Concessioners may also independently seek Small Business Administration (SBA) guidance and support available under the CARES Act to provide financial assistance to small business.
- WASO Commercial Services will continue to monitor the situation and provide additional guidance if circumstances necessitate any changes in contract requirements including those regarding insurance.

Distribution and Questions

Please distribute this memo to concession specialists and other appropriate personnel within your region. If you have any questions regarding this information and recommendations you may contact Kurt Rausch at 202-513- 7202 or Kurt_Rausch@nps.gov or Liz_Tinker@nps.gov or 202-558-8042.