COVID-19 BUSINESS LIABILITY CONCERNS

BUSINESSES NEED LIABILITY PROTECTION IN THESE UNCERTAIN TIMES
COVID-19 CRISIS CREATES UNIQUE CHALLENGES AND ADDITIONAL LIABILITY EXPOSURE

The COVID-19 Crisis Created Circumstances Beyond Our Control

• There is no cure for COVID-19 – Oregonians who suffer may seek compensation

• Testing, especially early on, was limited to those showing symptoms with travel history, and has not been readily available for those not showing symptoms

• PPE shortages have been a national problem creating significant challenges – many businesses had no access to PPE and even now, access is challenging

• COVID-19 is extremely contagious and a high percentage of infected individuals are asymptomatic, increasing risk of exposure

• Businesses have faced an unprecedented economic crisis in the wake of the public health crisis
COVID-19 HAS PUT SIGNIFICANT PRESSURE ON EVERY BUSINESS AND EMPLOYER

• Oregon is facing an unprecedented public health crisis as the health and welfare of every citizen is threatened by COVID-19

• The public health response, while necessary to mitigate the spread of the virus, has created an economic crisis that impacts businesses across every sector

• Never before have businesses been in a situation where their operations are so heavily regulated by the State – businesses operations are open or reopened based solely on the orders issued by the Governor

• Businesses are struggling to stay afloat in these uncertain times and liability concerns threaten their ability to remain operational

• Outside of economic issues, businesses have faced issues with obtaining PPE, staffing shortages, challenges with transitioning employees to telecommuting, reconfiguring workplaces and operations, lack of testing capabilities, health privacy issues and ever-changing guidance from the state
COVID-19 LAWSUITS ARE ALREADY BEING FILED

Current Lawsuits and Class Action Investigations:
• Employee PPE Lawsuits
• Failure to Refund Lawsuits (Flights, Events, Services)
• College Refund Lawsuits
• Coronavirus Robocall, Text Messages, Pre-recorded Messages Lawsuits
• Home Office Expenses Lawsuits
• Pricing Lawsuits
• Loss of Chance Lawsuits

Close to 2,300 lawsuits have been filed across the country – most suits will likely be filed after the emergency ends, when employers are trying to recover from the crisis
EXECUTIVE ORDERS HAVE LEFT BUSINESSES EXPOSED TO ADDITIONAL LIABILITY

• Social Distancing – In the “Stay Home, Stay Safe” Executive Order, businesses were required to have a social distancing plan, but specific guidelines were slow to come out and there was confusion with both employers and employees about what businesses remained open

• Masks – Instead of requiring Oregonians to wear masks in public, the Governor required businesses to require employees to wear masks and “strongly encouraged” them to require customers to wear masks

• Opening guidelines – Businesses are required to follow opening guidelines, but they have no protection from liability if they do, leaving many concerned about reopening

Executive Orders, agency guidance and compliance standards are not always aligned are often modified, and include no protection from lawsuits for compliance
COVID-19 LIABILITY CONCERNS

- Customer Exposure to COVID-19 – Lawsuits have already been filed alleging customers were negligently exposed to COVID-19 even by individuals who did not contract coronavirus, experienced symptoms similar to the flu, or experienced no symptoms at all; waivers may not be binding.

- Employee Exposure to COVID-19 – Lawsuits may be filed to circumvent the Workers Compensation System by alleging intentional torts.

- Medical Liability Lawsuits – Providers and facilities are facing an array of lawsuits based on the care provided and on care not provided as a result of the Governor’s Executive Orders.

- Product Liability – Manufacturers making products to aid in the coronavirus effort may face lawsuits over design issues or lack of instructions and warnings regarding risks or limitations.

- Privacy Issues – Businesses and employers across the spectrum face issues around handling of private health information and how the information can be used to protect the health of employees and others.
THERE ARE THREE NECESSARY LIABILITY PROTECTIONS THE LEGISLATURE SHOULD CONSIDER:

• Liability protection for healthcare workers and facilities acting under orders of the Governor

• Liability protection for businesses, non-profit organizations, and educational institutions that work to follow applicable public health guidelines against COVID-19 exposure claims

• Liability protection for manufacturers, donors, distributors and users of supplies that are critical to the COVID-19 response effort including PPE.
BUSINESSES NEED LEGISLATION TO PROVIDE LIMITED LIABILITY PROTECTION

Liability Protection Should Distinguish Legitimate Claims From No-Injury Lawsuits and Should Include:

• **Limited Duration for Liability Protection** – only for acts or omissions during the COVID-19 Emergency

• **Limited Scope of Liability Protection** – gross negligence, reckless or willful misconduct would be excluded

• **Protection for Following State and Federal Guidance** – businesses who follow guidance from the government about how they can safely operate should be protected from unwarranted lawsuits

• **Recognition of COVID-19 Situation** – businesses should not be liable for circumstances beyond their control including limited PPE, limited testing and workforce shortages due to the crisis
COVID-19 LAWSUITS IMPACT EVERY SECTOR

- Health Care Providers
- Manufacturers
- Retailers
- Restaurants
- Airlines
- Universities
- Gyms
- Ticket Sellers
- Event Venues
- Vacation Rental Sites
- Golf Clubs
- Sporting Organizations
- Ski Resorts
- Tour Companies
- Public Bodies
- Food Processors
- Health Care Facilities
- Financial Institutions
- News Organizations
- Trucking
- K-12 Schools
- Prisons
- Child Care
- Agriculture
Protecting businesses like grocery stores and pharmacies, which have been allowed to stay open as essential businesses, from lawsuits related to the coronavirus.

Protecting companies from employee lawsuits if the federal government asks these companies to provide health information about which employees have the coronavirus, are sick now, or have recovered from the virus.

Protecting hand sanitizer companies, soap companies, and other cleaning supply companies from coronavirus lawsuits.

Protecting companies from employee lawsuits if they ask sick employees with a fever or other symptoms of coronavirus who want to work to instead stay home.

When restaurants, stores and other businesses are allowed to open again, saying they cannot be sued by people who claim they contracted the coronavirus at that place of business unless the business was grossly negligent.

Protecting companies from employee lawsuits if the federal government asks these companies to provide health information about which employees have the coronavirus, are sick now, or have recovered from the virus.

Survey Prepared for the U.S. Chamber Institute for Legal Reform by Bill McInturff and Jim Hobart 2020
BUSINESS GROUPS URGE SUPPORT FOR LIMITED LIABILITY PROTECTION DURING THE COVID-19 PANDEMIC