

## Conducting Business In Light of the Coronavirus Outbreak

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It has been widely reported that persons in Louisiana have contracted the novel coronavirus (COVID-19), and the worldwide COVID-19 outbreak is already disrupting economic activity. Stone Pigman is actively monitoring the outbreak and evaluating how it may affect our clients, business staff, and our families. We are focused on providing a safe environment to those in our offices, limiting non-essential business travel, and ensuring our lawyers' ability to continue providing legal services to our clients. Governments and businesses have responded to the outbreak by implementing plans and policies that are resulting in, among other things, the cancelation of meetings and other activities, and evaluating their contractual obligations and those of their suppliers. Businesses may want to consider:

- Whether pending business or real estate transactions or existing contracts are or will become subject to termination due to the outbreak. For example, depending on the language of their contracts and the impact of the outbreak on the particular business, a business potentially could argue that the outbreak constitutes a "material adverse change," justifying a refusal to close an M&A or other deal, or triggers a force majeure clause, excusing performance of part or all of a commercial contract, or entitling a business to terminate the contract. If a business anticipates economic hardship resulting from the outbreak, it should evaluate these and other provisions of its contracts, to better understand its legal rights and obligations.
- Remaining in compliance with federal and state employment laws when determining how to respond to the outbreak. Employers remain subject to requirements included in the Family and Medical Leave Act, the Americans with Disabilities Act, the Occupational Safety and Health Act, and other laws. For example, if workplace policies are implemented as a result of the outbreak, an employer should ensure that the policies are not written or enforced in a way that discriminates against a protected class or violates applicable privacy obligations. An employer also should consider whether it must pay employees in the event they are on leave due to the outbreak.
- Businesses might use this opportunity to examine their insurance policies to determine whether coverage may be triggered in the event a loss is suffered (*e.g.*, an interruption of business) due to the outbreak. Each insurance policy is unique and should be reviewed closely for coverage. While an interruption of business caused by the action of a civil authority in connection with COVID-19 likely does not trigger insurance coverage under most policies for a business loss, policy terms differ and every policy should be reviewed carefully.
- Businesses that foresee having difficulty remaining current on their outstanding loans or performing their obligations under other contracts might consider attempting to obtain extensions or otherwise renegotiate their terms.

### ATTORNEYS

James E.A. Slaton

Nicholas J. Wehlen

### CAPABILITIES

Business Litigation

Corporate and Business Law

A photograph of a classical building with arched windows and a palm tree in the foreground. A large green curved shape is overlaid on the right side of the image.

## ANNOUNCEMENTS

In the event of an unexpected office closure, Stone Pigman has plans and systems in place that will permit its personnel to continue serving clients remotely.

James E.A. Slaton is a member in the Baton Rouge office of Stone Pigman Walther Wittmann. Please contact James at [jslaton@stonepigman.com](mailto:jslaton@stonepigman.com) if you have any questions.

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