

Top exec with coronavirus a reportable event? It all depends, Business Insurance, ft. Patrick Kennell

Patrick Kennell, KD partner and co-chair of the Insurance Coverage & Litigation Practice Group, was quoted in a Business Insurance article on whether investors need to be informed about executives having coronavirus, written by Judy Greenwald and published on April 21, 2020.

Determining when or if companies must inform investors that their top executives have contracted coronavirus calls for a delicate balancing act between complying with regulatory requirements and respecting employees' privacy rights, observers say.

Experts recommend companies carefully weigh the particular circumstances of each case.

Yet while the SEC explicitly requires companies to disclose certain types of information, such as top executives' hiring or firing, there is no such demand with respect to their health. Furthermore, the executives have the right to keep their personal medical information private.

"It depends on whether the executive is still able to perform their functions," said Patrick M. Kennell, New York-based co-chair of the Insurance Coverage & Litigation Practice Group at Kaufman Dolowich & Voluck LLP.

If an executive is at home or even in the hospital but still performing his duties, it is not a reportable event, Mr. Kennell said. But if the executive is incubated and someone must take over his job companies "would be wise" to report it, he said.