



Information to help you manage your business through COVID-19 March 18

COVID-19 has been declared a pandemic by the World Health Organization. In Canada, Federal and Provincial governments have taken significant steps to control and contain the spread of the virus and businesses are faced with a rapidly changing environment.

We'd like to share some information and links to help you manage your business through these challenges. Not only are these challenging times from a health and well-being perspective, but there are also significant financial ramifications both within Canada and globally.

Financial Risks to businesses

It has been a challenging start to the year. "It is already clear that the spread of the coronavirus is having serious consequences for Canadian families and for Canada's economy," the Governor of the Bank of Canada Stephen Poloz said. Poloz also further noted that "lower oil prices will weigh heavily on the economy, particularly energy intensive regions".

Impacts to businesses can include:

- Reductions in sales (particularly service/tourism)
- Challenges with supply chain
- Collections from cash impaired trading partners
- Cash flow/liquidity
- Investment portfolio volatility
- Workforce issues – most importantly, the health and safety of employees and their families

Government response to COVID-19

- Bank of Canada made two recent cuts to its policy interest rate. As of March 16, 2020, the rate is 0.75%—reduced from 1.25% and 1.75% 2 weeks previous to that.
- The Office of the Superintendent of Financial Institutions ('OSFI'), (the government agency regulating banking and most insurance companies) in a news release on March 13 "[OSFI announces measures to support the resilience of financial institutions](#)" advised they are taking action "to supply credit to the economy during an expected period of disruption related to COVID-19 and market conditions"
- The Government of Canada will waive the one-week waiting period for new claimants who are affected by COVID-19, have been placed in quarantine and are claiming for Employment Insurance (EI) benefits.
- For information on the Government of Canada's response please see [Canada outlines measures to support the economy and the financial sector](#)
- Amongst actions to stimulate the economy, Finance Minister Bill Morneau announced on March 13 that a \$10 billion credit facility would be available to lend money to businesses impacted by COVID-19 through the Business Development Bank of Canada and Export Development Canada.
- Additional measures are expected to be announced over the next few weeks

What can businesses do?

Financial Planning:

Actions you may wish to consider include:

- Stress test financial plans by looking at several possible scenarios
- Evaluate risk within your supply chain and partners
- Address credit/have lines of credit in place

Business Continuity Planning

It is important for every size of business to have a business continuity plan to deal with events such as pandemics and other crises. It is never too late to improve your planning, the reality is the financial challenges ahead will take months not weeks to resolve.

The [Business Development Bank](#) has a number of business templates to support continuity planning.

Protect Employees

If an employee becomes ill, refer to the [Government of Canada COVID-19 site](#).

Actions you may wish to consider include:

- Communicate frequently with your staff, recognizing the toll shifting school schedules and other factors may be having.
- Enhanced cleaning and disinfecting of workplaces
- Embrace work from home and other flexible work arrangements
- Establish a travel policy
- Review your employee benefit program to ensure you and your employees understand your coverage

Empire Life's Group Health Benefits

For frequently asked questions on health benefits related to COVID-19 please visit our [Empire Life website](#) where we will be providing ongoing updates.

Additional Resources

[Government of Canada COVID-19 site](#)

[Canadian Federation of Independent Business \(CFIB\)](#)

[Trade Commissioner Service](#)

[KPMG's COVID-19 Business Resource Center](#)

[Business Development Bank](#)