



COVID-19 Liability Survey



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Executive Summary

As startups and other businesses open back up following coronavirus-related shutdowns, policymakers have been discussing the most effective strategies for companies to follow as their employees return to work. Engine recently surveyed startups and entrepreneurs in our network to better understand the safety protocols they are planning to implement as they reopen, and any concerns they might have about liability if their employees or customers contract the virus. While most entrepreneurs said their local cities and states have special guidelines or restrictions in place for businesses as they reopen, 53 percent of startups are concerned about being held liable if one of their employees or customers contracts the coronavirus.

This survey was conducted from July 15th to July 30th.

Highlights

- The average startup in the survey has approximately 79 full-time employees.
- Startups are divided over whether Congress should include some form of liability protection for businesses in the next coronavirus relief package. Forty-three percent of respondents said including liability protections in the next relief package is necessary for them to reopen successfully, while 37 percent said it was not, and another 20 percent did not know.
- Fifty-three percent of startups are concerned about being held liable if an employee or customer contracts the virus.
- Eighty-seven percent of startups said their city or state has special restrictions or guidelines in place for businesses as they reopen.
- A plurality of startups (37 percent) do not plan to allow their employees back into the workspace for three months or longer.

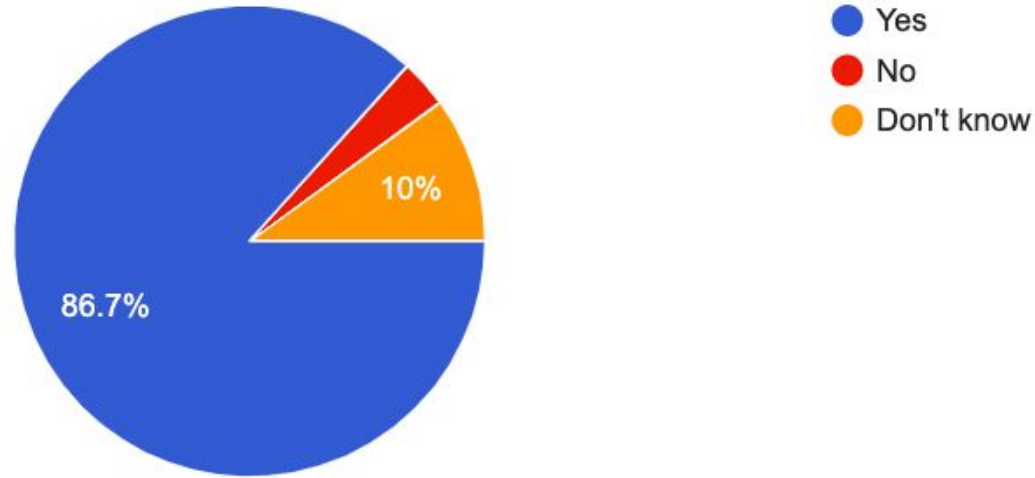
Introduction

Engine has been working with policymakers to ensure that the next coronavirus relief package—the so-called Phase Four proposal—adequately protects the U.S. startup ecosystem. One issue that has been raised by some lawmakers is whether or not businesses should receive some form of liability protection in the event that their employees or customers contract the coronavirus.

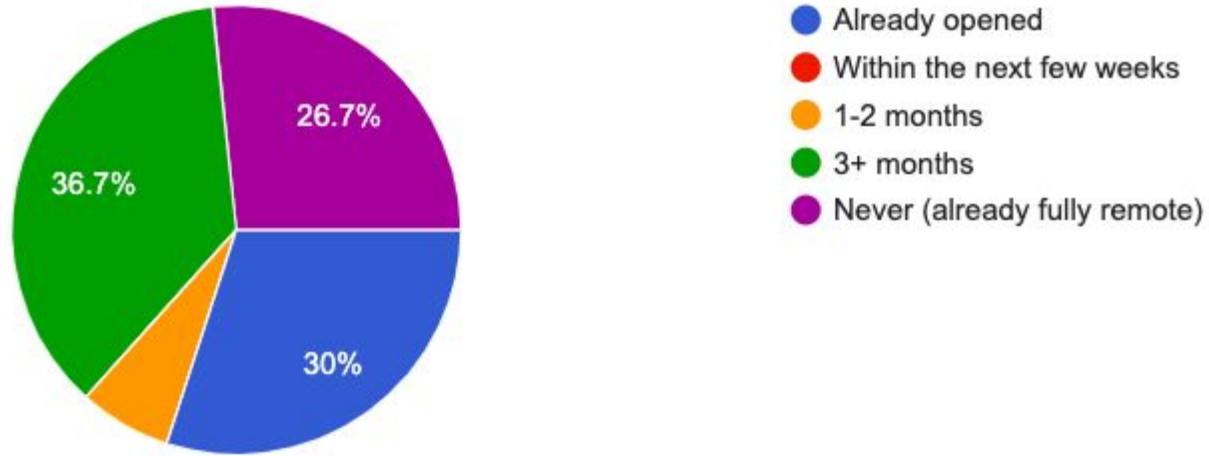
Our goal in conducting this survey was to better understand whether or not startups need liability protections to safely reopen, and what types of guidelines, regulations, and best practices are being used to guide businesses through the reopening process. While respondents are divided about the need for policymakers to include liability protections in the next relief package, the majority of respondents are concerned about being held liable if an employee or customer contracts the virus.

SURVEY RESPONSES

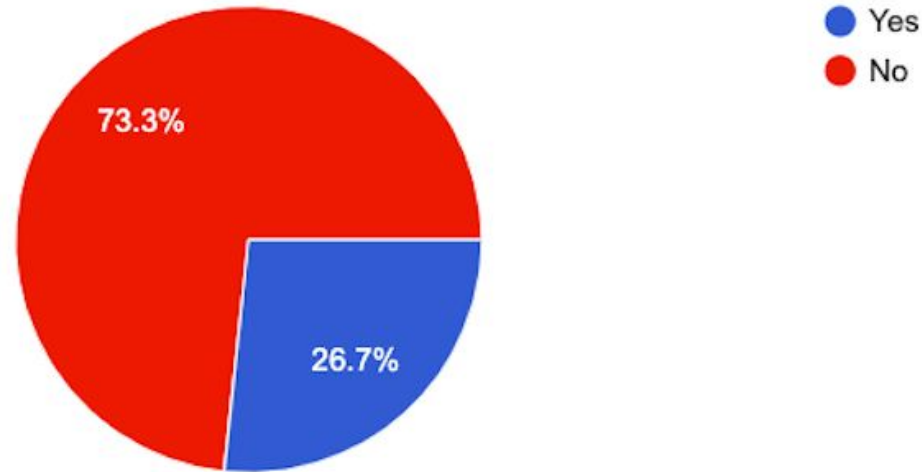
Does your city or state have any special restrictions or guidelines for businesses as they reopen?



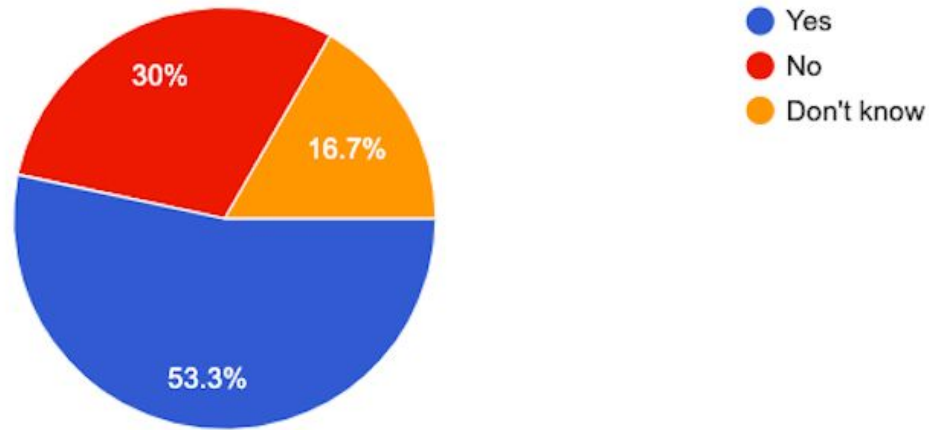
When do you plan to allow your employees to return back to your office or workspace?



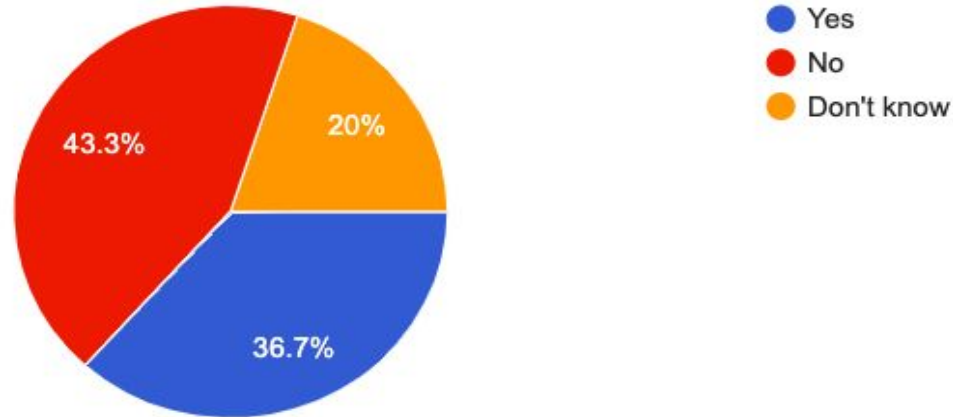
Does your startup typically have in-person customers in the office or workspace?



Are you concerned at all about being held liable if one of your employees or customers contracts the coronavirus?



Do you believe that including some form of liability protection for your business in the next coronavirus relief package is necessary for you to reopen successfully?



Conclusion

While a majority of startups in our survey are concerned about being held liable if their employees or customers contract the virus, the firms had mixed feelings about whether or not it was necessary for Congress to include liability protections in the next relief package in order for them to reopen successfully. In lieu of federal standards, most respondents said they are following their city- or state-level regulations and guidelines when it comes to safely reopening. And while a plurality of businesses do not plan to open anytime soon, those that have opened are abiding by local regulations and taking additional steps—including temperature checks, mandatory face masks, socially distanced workplaces, and limited in-person staffing—to protect their employees' health. Respondents said that policymakers can also take additional legislative steps, such as offering standard guidelines for all businesses and offering affected firms a rent holiday, to further protect startups and their employees as they return to the workplace.