PCS Information Bulletin #18: COVID-19 Review
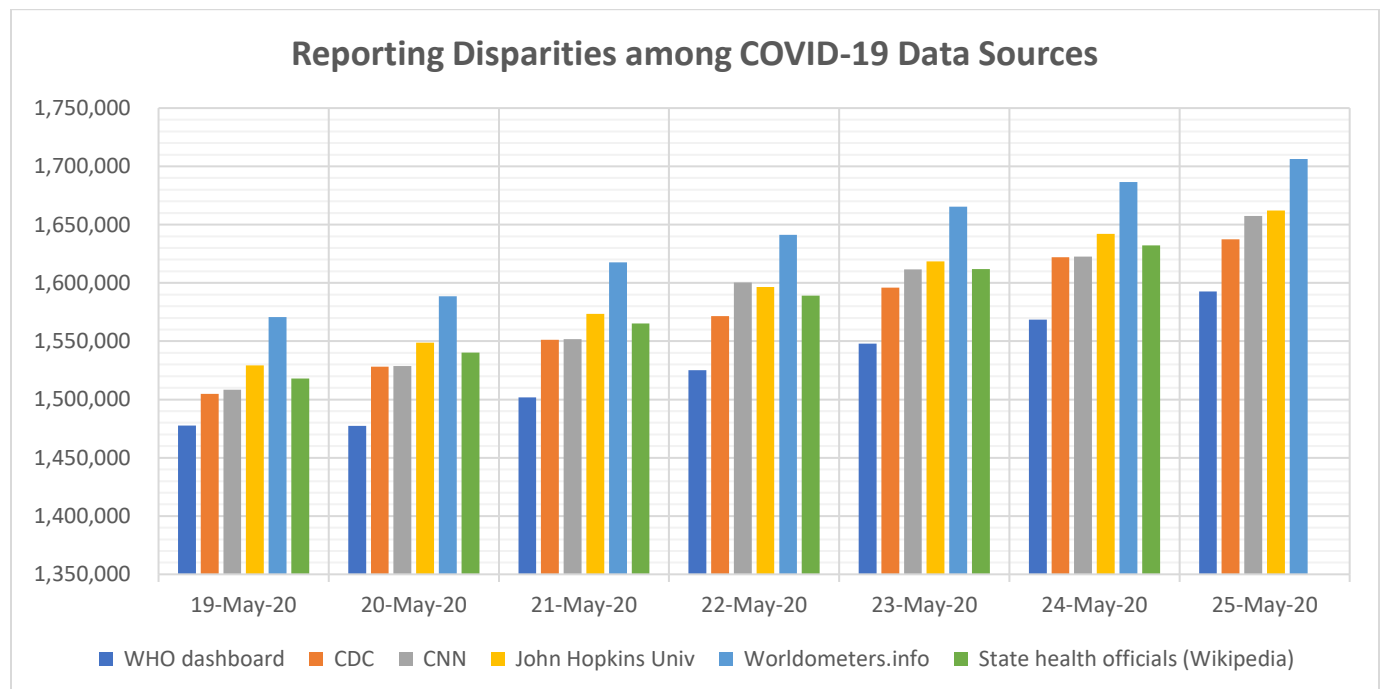
Wednesday, May 27, 2020

As always, please remember that **this report is for informational purposes only** and does not constitute the designation of a PCS event. We have decided to provide this report simply to help the market understand the COVID-19 situation and to provide access to some of the resources our team uses daily for intelligence on this event.

Reporting Disparities among COVID-19 Data Sources

With all measures that have been in place for the past two months, a stabilization in the number of reported cases for the countries that PCS has been tracking has emerged. However, reports of data irregularities from various governmental entities in the tracked countries make us aware that this is not a perfect process, but far from it. The United Kingdom and United States proved this within the last week. Public Health of England has admitted that due to a double method of diagnostic tests – saliva and nasal – more than 20 percent of the cases have been double-counted, with that proportion being much higher earlier on in the crisis. The CDC, on the other hand, acknowledged that it has mixed the results from viral and antibody tests and say they are planning to separate those numbers in the coming weeks. Combining numbers from antibody and viral tests pushed up the total number of tests conducted in the US, so now the question arises: Will a correction be made?

Note: PCS has been keeping track of the daily cases recording them at 4pm EST time thought the various sources and provides a consolidated analysis at regular times.
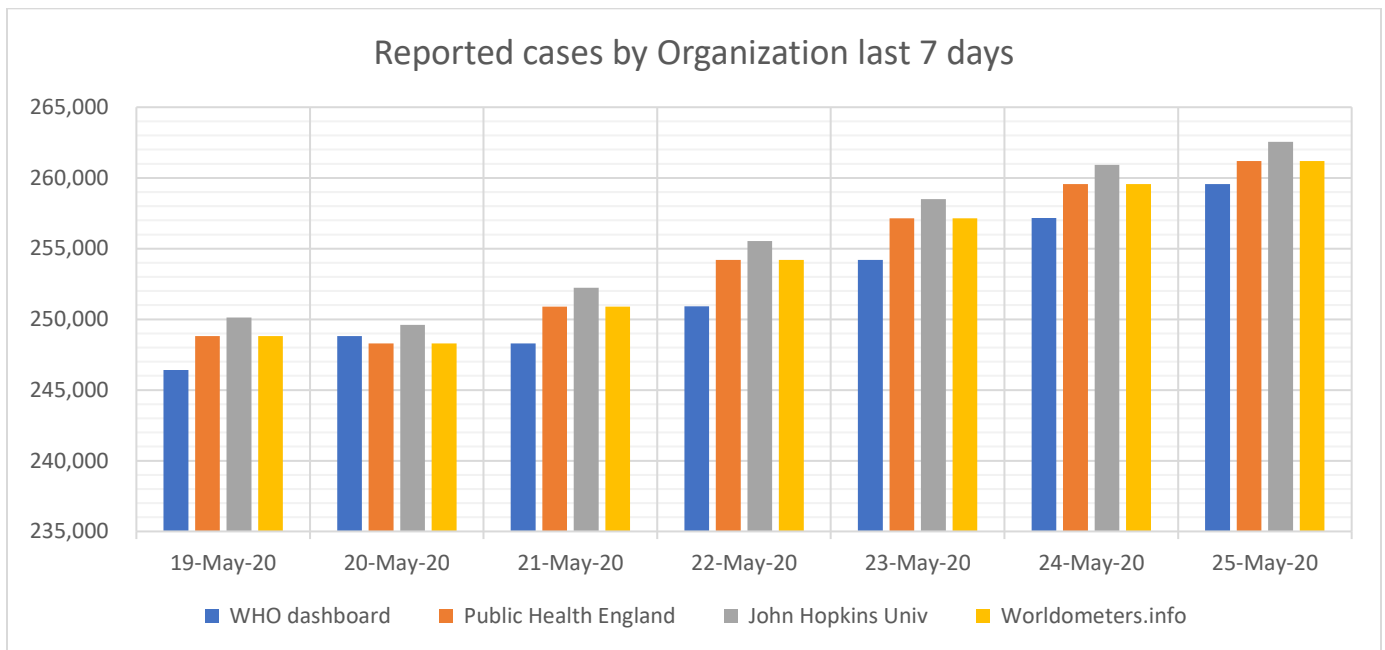
U.S. Reported Cases

Reporting Disparities among COVID-19 Data Sources

1. The most up-to-date case counts will come from states, according to CDC officials.
2. CNN's tally relies on state totals and won't always match the CDC's count as they take them from the JHU at various times of the day
3. John's Hopkins dashboard thus far has been found to update several times a day
https://coronavirus.jhu.edu/map.html
4. Worldometers.info – web scraping took -
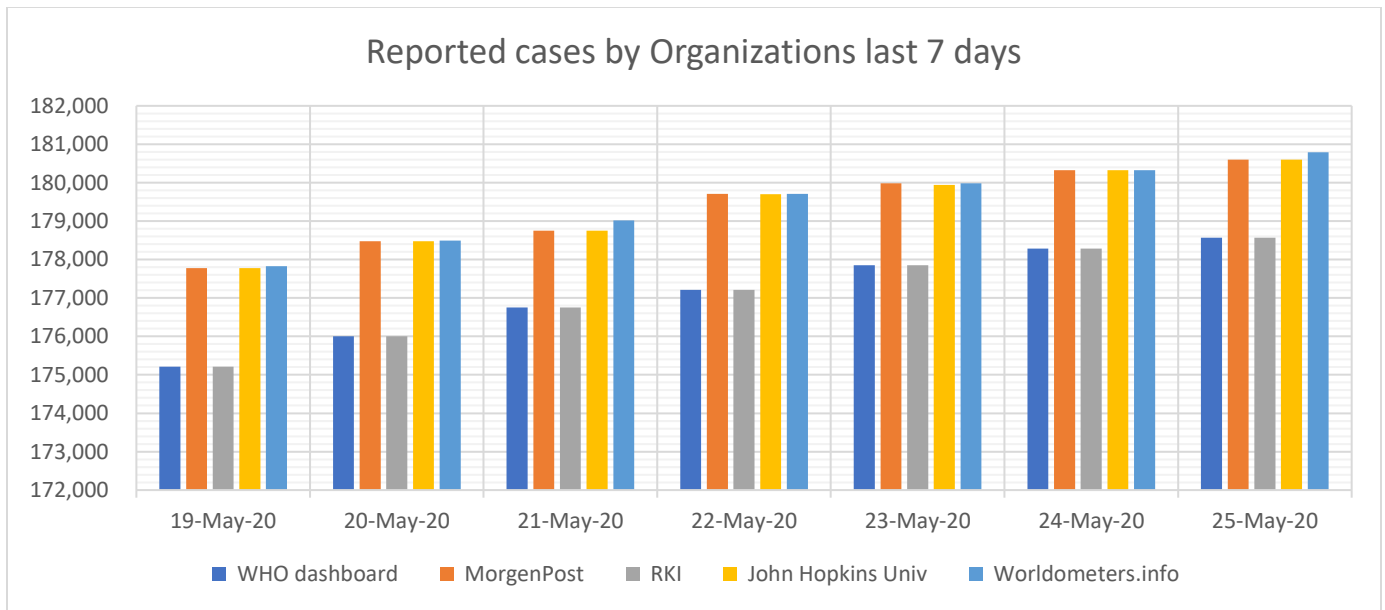https://www.worldometers.info/coronavirus/country/us/

In the United States the CDC is the main focus with the irregularities in counting both viral and antibody testing. An adjustment in the reported numbers will affect all reporting agencies and overall tracking of the pandemic. Measures in place could have different effects in various parts of the country which are so focused on reopening right now.

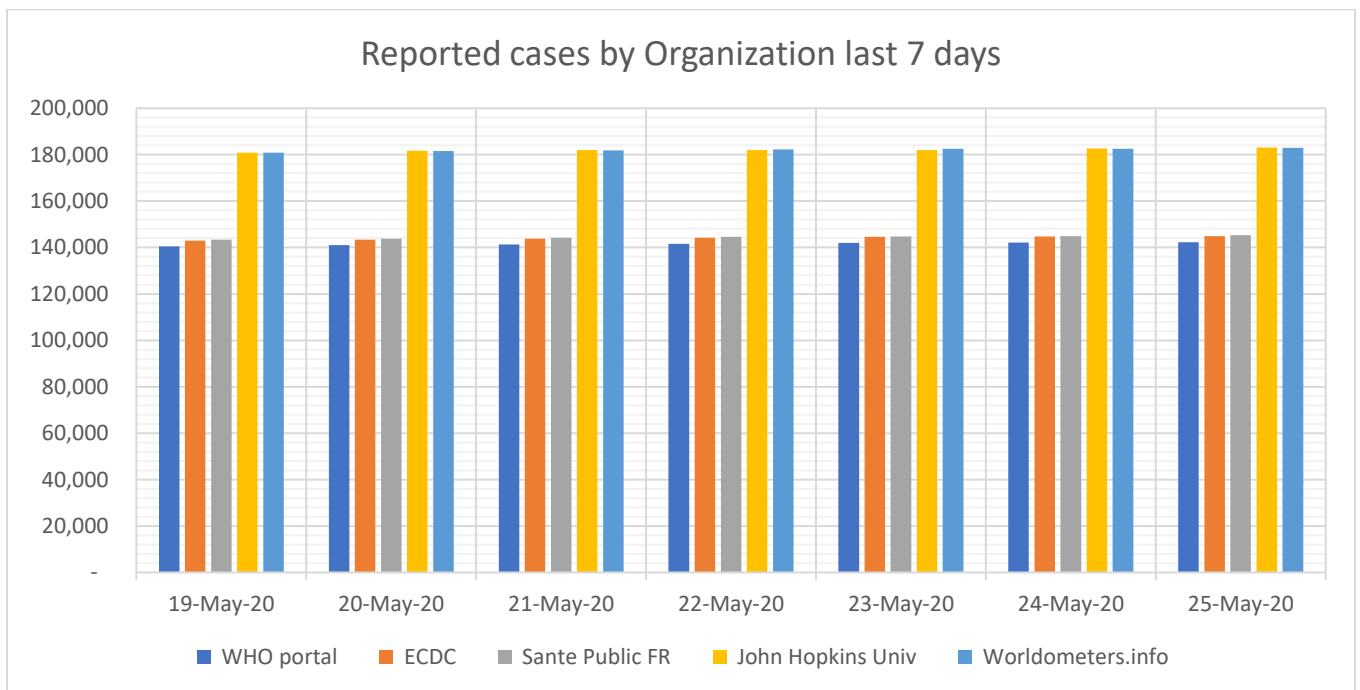**UK Reported Cases**

Reported cases by Organization last 7 days

The growth in the number of cases in the United Kingdom has been showing signs of stabilization. The more relevant fact, however, is how accurate the numbers are, with reports that governmental institutions have counted home kits as well as double counting the saliva and nasal samples in their diagnostic tests.

Germany reported cases

Reported cases by Organizations last 7 days

Consistency across the sources and a significant decrease in the number of reported daily cases is top subject. PCS will continue to monitor Germany to see how the reporting evolves in the near future with the reopening measures in places and talked about impacts on population.

France reported cases

Reported cases by Organization last 7 days

Differences in reporting bodies is the main topic at hand in France. Official governmental institutes are similarly aligned while public reporting entities, JHU and Worldometers, suggest the same consistent gap compared official channels.

Hospitality industry impact?

The hospitality sector is among the hardest hit by COVID-19. According to the American Hotel and Lodging Association, as of May 20, 2020, nearly 7 out of 10 hotel rooms were empty across the country per STR - premium data benchmarking, analytics and marketplace insights for global hospitality sectors, in addition to the thousands of hotels shuttered completely. Individual hotels and major operators are projecting occupancies below 20 percent – at an occupancy rate of 35 percent or lower, hotels may simply close their doors.

Companies must allocate current depleting resources to more pressing business continuity concerns. New industry standards are being put in place to protect the end guest and these new changes need to be implemented to even be able to operate again:

- All bathroom appliances changed to automatic and sensor operated ones
- Sensor doors or hire a person to open door for everyone – to limit contact surfaces
- Upgrading computer systems to online check-in – currently only about 40 percent of reservations use the feature in highly metropolitan areas
- To go boxes for grabbing for breakfast or maybe even room delivery breakfast
- Sealed room stickers – after housekeeping has thoroughly cleaned a room – guests being required to rip the seal
- Sealed off front desk/reception areas

Some of the impacts on what we considered normal hospitality practices:

- No throw pillows on the beds
- No magazines on the coffee tables
- No daily visits from housekeeping staff
- Cafeteria/breakfast buffet areas/ lobby sitting area closed

Despite this dark economic outlook, there are some prospects for cash-strapped and empty hotels across the country. Some have revitalized their cash flow and found financial relief by entering into government partnerships, through which they're either converting into temporary coronavirus wards and providing much-needed hospital beds, or they're providing temporary housing for frontline medical workers and the National Guard. In all situations, the shifting exposure needs to be considered when dealing with the renewal of premium for those hotels. And if there is no conversion and hotels just remain closed, negotiation of premium during closure is another option that can be looked into.

Is there a silver lining for this summer? With weddings delayed and corporate events postponed, downsized or canceled, resorts and other businesses are hoping to salvage whatever they can through local vacationers. Nearly 70 percent of American travelers surveyed in early May said they planned to

travel in the next six months, according to Ohio-based Longwoods International, a tourism market research company. First on the list for travel — when deemed OK to do so — is visiting friends and family by car. Second is leisure travel by car, showing more interest in uncrowded places — beaches, mountains, forests and lakes — where they feel they can have more control over their environment, analysts have learned.

Cruise ship impacts and updates

Considering how Covid-19 spread on cruise liner like the Diamond Princess, and the measures taken by governments all over the world, the entire cruise line industry is in a challenging position with minimal demand and high cash outflow. As an example, Royal Caribbean Cruises' stock has dropped nearly 70 percent this year.

Additionally, many ships from the various cruise lines have personnel still onboard and no clear information on when they will be able to return home. The crew members on board, many no longer receiving paychecks, are still waiting for news about when they will return home and see their families again. Two months after the cruise industry shut down amid repeated COVID-19 outbreaks on ships, more than 100,000 crew members remain trapped at sea with little reliable information about what will happen to them.

While most passengers were able to get off cruise ships by early April, many crew members have largely remained stuck. During the prolonged isolation, COVID-19 continued to spread through the ships. Hundreds of crew members contracted COVID-19 at sea and seven have died, according to published reports.

At least two crew members have leaped overboard in apparent suicides. On May 10, 2020, a 39-year-old crew member from Ukraine on the Regal Princess ship died after jumping overboard while the ship was anchored off Rotterdam, Netherlands. Late last month a crew member jumped off Royal Caribbean's Jewel of the Seas ship while it was near Greece.

On April 9, 2020, the U.S. Centers for Disease Control and Prevention banned cruising in U.S. waters through at least late July, citing ongoing outbreaks among crew who remained on ships. The CDC put new rules in place limiting repatriation to private transportation and requiring cruise line executives to sign legal agreements assuring the agency's health rules will be followed. Some countries, including Haiti and the Philippines, are requiring crew members be tested before they can return. Others, like Grenada, want cruise companies to pay for a land-based quarantine once crew members arrive.

So far Carnival Corporation has repatriated 37 percent of the crew left at sea after cruising halted and passengers departed with some by traveling by air charter, and some by sailing its ships across the oceans on multi-day voyages. MSC Cruises has sent home 76 percent and Disney Cruise Line 33 percent. Royal Caribbean has sent home an estimated 23 percent, based on employee data in financial filings and minimum ship manning requirements. Bahamas Paradise Cruise Line said it has repatriated around 100 people. Norwegian Cruise Line Holdings has not disclosed numbers regarding repatriation at this time.

Useful Links from COVID-19 Data Sources

- US Government Federal Guidance - https://www.usa.gov/coronavirus
- Government of Canada Federal Guidance - https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html
- UK Government Guidance- https://www.gov.uk/government/topical-events/coronavirus-covid-19-uk-government-response
- Government of Mexico Federal Guidance - https://www.gob.mx/salud/documentos/nuevo-coronavirus-2019-ncov-comunicado-tecnico-diario
- ESRI COVID-19 GIS hub: https://coronavirus-resources.esri.com/?adumkts=industry_solutions&aduse=local_state&aduc=email&adum=list&utm_Source=email&aduca=mi_smart_communities&aduco=coronavirus_hub_resources&adut=950533&adupt=awareness&sf_id=7015x000000iQIAAA2&aducp=operational_second_body_text
- WHO COVID-19 situation reports: https://www.who.int/emergencies/diseases/novel-coronavirus-2019/situation-reports
- CDC Overview Page: https://www.cdc.gov/coronavirus/2019-ncov/cases-updates/summary.html (includes links to testing locations, nature of transmission, etc.)
- Insurance Information Institute Corona Virus Toolkit - https://www.iii.org/sites/default/files/docs/pdf/covid19_toolkit_03162020.pdf

- Pharmaceutical technology Coronavirus COVID-19 outbreak: Latest news, information and updates - https://www.pharmaceutical-technology.com/knowledge-bank/coronavirus-faqs-covid-19-categories/
- CNN Live Coronavirus pandemic updates: https://edition.cnn.com/world/live-news/coronavirus-outbreak-03-17-20-intl-hnk/index.html
- Worldometers.info - https://www.worldometers.info/coronavirus/country/us/

- Wikipedia US pandemic - https://en.wikipedia.org/wiki/2020_coronavirus_pandemic_in_the_United_States
- European CDC - https://www.ecdc.europa.eu/en/publications-data/download-todays-data-geographic-distribution-covid-19-cases-worldwide
- GOV.UK - https://www.gov.uk/guidance/coronavirus-covid-19-information-for-the-public

- Public Health England - https://www.arcgis.com/apps/opsdashboard/index.html#/f94c3c90da5b4e9f9a0b19484dd4bb14
- Sante Public FR - weekly update - https://www.santepubliquefrance.fr/maladies-et-traumatismes/maladies-et-infections-respiratoires/infection-a-coronavirus/articles/infection-au-nouveau-coronavirus-sars-cov-2-covid-19-france-et-monde

- GOV of Canada - https://www.canada.ca/en/public-health/services/diseases/2019-novel-coronavirus-infection.html?utm_campaign=not-applicable&utm_medium=vanity-url&utm_source=canada-ca_coronavirus#a1
- MorgenPost.DE - https://interaktiv.morgenpost.de/corona-virus-karte-infektionen-deutschland-weltweit/
- Robert Koch Institute - https://www.rki.de/DE/Content/InfAZ/N/Neuartiges_Coronavirus/Fallzahlen.html