



## **Coronavirus FAQ's Regarding Insurance Claims**

The outbreak, spread and actions by Federal, State and Local Governments concerning COVID-19 (Coronavirus) is causing some of our clients to ask the following questions and our responses are below;

- #1 Property** - If I am forced to close my business due to the virus, is loss of income covered?
- #2 General Liability** - If a customer alleges they contracted the virus at my business, am I covered?
- #3 Workers Compensation** - If an employee alleges they contracted the virus at work, am I covered?

#1. Typically, a property insurance policy (business interruption coverage is provided by a property policy) needs a trigger of physical loss or damage caused by an insured peril for coverage to apply. Diseases and viruses do not cause a physical loss or damage and are not considered an insured peril. Furthermore, many policies contain a specific exclusion for viruses. The initial answer in our opinion, coverage does not apply.

#2. A general liability policy responds to provide defense and settlement when an act of negligence causes bodily injury or property damage. The specific allegations and details surrounding a claim will have a significant impact on the application of coverage in the general liability policy. Therefore, we are unable to comment on coverage considering the numerous and potentially unknown variables.

#3. The quick answer in our opinion, not likely. However, if it can be proven that the employee had an increased risk of contracting the virus (illness or disease) due to the nature of the occupation, meaning that it arose out of or was in the course and scope of the employment and it was caused by conditions peculiar to the work environment, it could be deemed compensable by the Workers Compensation Board.

**Because each loss will have its own specific set of facts and circumstances and due to the various policy wordings, endorsements, extensions, limitations and exclusions a careful review of each potential claim will need to be fully investigated by your insurance carrier. Please contact us immediately if you are presented with a claim so we can report it to the appropriate carrier for a complete coverage analysis.**

**Connect with us to stay informed!**

