

# Will Coronavirus claims be covered?

Every protection package and every claim are unique. Each insurance company will assess claims in accordance with the coverages the insured has in place and the facts presented. While it is difficult to answer any hypothetical questions or claim scenarios regarding the Coronavirus, we are being advised by our insurance carriers to submit all claims for determination based upon the individual facts. As this situation unfolds, you never know what role government intervention may play in determining potential reimbursement.

## Liability Coverage

Coverage could exist for patrons of an establishment. There is no exclusion for the spreading of a contagious disease, so if it can be shown that the employee infected a patron, there would be coverage. Again, this is quite difficult to prove with many viruses; the spread of viruses is covered, just hard to prove. The standard duty to defend exists.

Most liability policies **DO NOT** contain an exclusion for communicable disease. As a result, depending on the individual facts of a case, there should be coverage for both defense and indemnity.

## Business Interruption

Unfortunately, there probably is no coverage for loss of income due to a government ordered shut down in response to a virus. The business interruption coverage that is on your policy only kicks in when there is a claim for Property Damage, not air born virus. This is not just the language on your particular policy; this is a common exclusion across the board with almost any policy.

Now, after stating that, these are very unusual times. The situation is changing rapidly, no one knows what's going to happen in the future. We do not know what the government may or may not mandate. Should the government order insurance companies to pay out on these claims, (we don't have any inside information on that type of action, but similar things have happened in the past), plan accordingly. What is normally needed to submit a Business interruption claim is documentation of normal income and expenses. As an example, evidence of receipts previously reported for income tax purposes for the same time period. We suggest that you have that documentation available in the event things change.

## Workers Compensation

Workers compensation provides coverage to employees for injury caused by accident or disease that is caused or aggravated by the conditions of employment.

In order for a flu or other airborne virus such as coronavirus to be claimed under workers compensation, the employee must show that the virus was contracted at work.

Workers' Compensation coverage is largely regulated by your individual state laws, but generally, if an employee contracted the virus while on the job, coverage would apply.