

COVID-19 (“Coronavirus”) Information

How will my insurance coverage respond to a coronavirus claim?

- As with every insurance claim, the applicability of a given insurance coverage is a fact-specific inquiry.
- Each claim requires an investigation conducted by an adjuster in the Claims Department who applies the **facts** of the claim to the **specific language** of the insured’s policy of insurance, as interpreted by the **laws of the state** in which the policy is issued, in order to reach a conclusion as to what, if any, coverage is applicable to a given loss.
- Hypothetical claims questions cannot be accurately answered without the benefit of all the facts surrounding the incident that are obtained during a typical claims investigation.
- If an insured sustains a loss as a result of the coronavirus, we encourage you to promptly report the matter to our Claims Department for an investigation into the loss by an adjuster who can promptly extend any insurance benefits that may be owed under the policy.

The following is intended as a general overview of potentially applicable insurance coverages that may apply to respond to a claim involving the coronavirus.

Workers’ Compensation

If an employee is alleged to have contracted the coronavirus at their workplace, an investigation would be done to determine if there was an increased risk or hazard of the employment as defined by the specific state statute deeming it a compensable work injury or not.

Property

Depending on the insured’s policy, **Business Income/Extra Expense** coverage may be available if the insured’s operations are suspended, but only if the suspension is caused by “direct physical loss” to the property caused by or resulting from a Covered Cause of Loss. The mere fear that the coronavirus may spread at the insured’s facility would likely not qualify as a “direct physical loss”. If an insured’s premises closes as a result of a civil authority prohibiting access to the insured’s premises due to a “direct physical loss” from a Covered Cause of Loss, **Civil Authority Coverage** may also provide coverage for Business Income losses.

Some policies have exclusions or exclusion endorsements for “any virus, bacteria or other microorganism that induces or is capable of inducing illness or disease”. Such exclusions may bar coverage for damages arising out of the coronavirus. Other policies may contain an endorsement providing coverage for emergency vacating expense if a government authority orders the insured premises to be evacuated or disinfected due to the outbreak of a communicable disease. The specific terms of an insured’s policy must be consulted by an insurance adjuster in the event of a claim arising out of the coronavirus.

Liability

Liability coverage could potentially apply to defend and indemnify an insured against a claim brought against them by a third-party alleging that the insured’s negligence resulted in “bodily injury”, which includes sickness, sustained by the claimant. In order to recover, a claimant would have to show that the insured’s negligence in the ownership, maintenance or use of the insured’s property caused the claimant to sustain a “bodily injury”. No fault **Medical Expense Coverage** may also potentially be available to reimburse a claimant for medical expenses incurred as a result of a “bodily injury” caused by an accident on the insured’s premises. Exclusions for communicable diseases may also result in no liability coverage.