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The COVID-19 crisis is disrupting business in unprecedented ways. The unique risks posed by the virus, and aggressive government responses, have all but shut down many sectors of the local and global economy. Business that can continue to operate are seeing their operations and revenues significantly curtailed. Your business may have insurance coverage for losses that are caused by the virus:

- Many commercial property insurance policies provide coverage for losses caused by business interruption (“BI”), including BI arising from damage to covered property and/or governmental orders requiring a cessation of operations. While both coverage clauses generally require loss or physical damage to covered or nearby property, that condition may be satisfied by the presence of COVID-19 in or on the premises. However, policies may have express exclusions for pandemic events.
- Some commercial property insurance policies also provide coverage for contingent business interruption, which covers losses caused by the inability of third parties (such as vendors, suppliers, or key customers) to meet the business’s needs. These clauses generally require physical damage to the third party but, as stated above, the presence of COVID-19 in a third party’s physical premises may satisfy this requirement.
- As the various effects of COVID-19 are felt, there will be a wave of third-party claims that may be covered by commercial general liability, employers’ liability, or directors and officers/management liability policies. We recommend that all businesses carefully consider their COVID-19 responses and document all steps they take to ensure the safety of their clients and employees. Furthermore, businesses should ensure that their public statements are truthful and consistent with the best available data.
- The federal government, states, and municipalities are proposing various forms of relief for business, including initiatives that may compel insurers to cover COVID-19 related losses. These programs may be used to provide liquidity or other assistance.

Each insurance policy is different, and the courts have not yet resolved key questions regarding insurance coverage for losses related to COVID-19. If you believe your business may have suffered a covered loss, we recommend seeking advice from your broker and/or insurance coverage counsel. The Shartsis Friese LLP [insurance coverage team](#) is ready to assist existing and new clients in evaluating their insurance coverage and pursuing potential claims.