

COVID-19 Insurance Coverage & Claims Information

The emergence and spread of the Coronavirus (COVID-19) has many policyholders asking questions regarding their insurance coverage and how COVID-19 may affect them. As valued clients, we are committed to helping you navigate these unprecedented circumstances. Many factors are involved in coverage analysis, including the type of loss, the type of coverage and the specific terms, conditions, and exclusions of individual policies. Ultimately, the insurance carrier will review the facts of a loss to determine if coverage applies. Any suspected losses should be reported per the policy conditions. Policyholders should be aware that some policies may require claims be submitted within a specified amount of time following a loss, such as 48 hours. We are ready and available to assist you with submission of your claim, if needed.

GENERAL COVERAGE ISSUE OBSERVATIONS

Commercial Property and Business Interruption

Property policies generally provide coverage for direct physical loss or damage to covered property, at a covered location, from a covered cause of loss. It is uncertain if carriers will consider the presence of a virus, or a confirmed case of an employee or patron with the virus, to be a direct physical loss or damage to covered property or if specific exclusions or conditions in policies will preclude coverage.

Insurance for business interruption can provide coverage when a policyholder suffers a loss of income due to direct physical loss or damage to covered property from a covered cause of loss. Many policies exclude business interruption losses caused by a viral contagion or limit exposure to pandemic-type claims through disease/virus/pandemic and other specific exclusions. Waiting periods, sub-limits, and distance limitations may also apply.

Workers' Compensation and Employers Liability Coverage

Workers Compensation policies commonly cover employees who suffer injury or illness arising out of or in the course of their employment and are closely aligned with individual state requirements. Employers' Liability, also referred to as part two of the workers' compensation policy, generally

provides protection for the insured employers' liability, employees' work-related bodily injury or disease, other than liability imposed by a state's workers' compensation law. Each claim has a different set of circumstances and is evaluated on its own merits relative to the policy language and state law.

Commercial General Liability

Alleged legal liability to organizations, including, but not limited to, negligence or contractual liability, may fall under commercial general liability insurance. Careful review will need to be made by each carrier to determine if an occurrence falls within the policy's identified damage requirements and are outside of any potential coverage exclusions.

Employment Practices Liability

Coverage generally applies to damages arising out of employment practices, subject to policy exclusions and conditions. While these policies generally cover wrongful termination, retaliation, and discrimination some exclusions may limit or exclude coverage.

Directors & Officers Liability Insurance

Usually does not provide coverage for claims related to bodily injuries, however, they may provide coverage for claims of financial loss or damages, unless otherwise excluded.

CLAIMS REPORTING

Insurance policies differ greatly and coverage will need to be reviewed by the insurance company on a case-by-case basis. While many of these types of policies have historically not been a source of recovery for losses involving contamination by disease-causing agents, insurers may face claims in which there are substantial efforts to expand coverage and to create sources of recovery for losses, outside the original policy intent. Additionally, governmental programs are being considered which may provide some relief. Accordingly, policyholders should submit claims within the time-sensitive provisions of their policy and gather the proper information that is necessary to allow the carrier to investigate and make a coverage determination.

This document is designed to provide broad, general information and guidance, but has not been customized for any client-specific situation. Please consult applicable policy documents and contracts for policy-specific coverage information. Individual coverage determinations will be made by the insurance carrier.



PMIS Corporate Office
908 S. Village Oaks Drive, Suite 250
Covina, CA 91724
P: 626.217.9000 | F: 626.217.9999