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Client Alert: Why you should be looking at your insurance if you're impacted by COVID-19

As supply chains are interrupted, events are cancelled, businesses are shuttered, and other COVID-19 losses continue to mount, you should consider a careful review of your insurance policies to determine whether they cover COVID-19 related losses. Indiana insurance coverage law is among the best in the country for policyholders. It is worth digging into your policies—or, better yet, having an experienced coverage lawyer do the digging for you—to see to what extent they cover these unexpected losses.

At least five different types of policies might respond to losses caused by the COVID-19 pandemic:

Event cancellation insurance. This insurance covers economic losses arising from the cancellation or postponement of an event due to reasons beyond your control—such as the current COVID-19 pandemic. Some event cancellation policies contain exclusions for infectious diseases, but others do not. And even if there is such an exclusion, it may not apply in your circumstances.

Business interruption insurance. This insurance is typically part of a commercial property policy and covers the loss of income that a business suffers after a disaster or disruption in business operations. This coverage often is triggered by physical damage to covered property. However, in some instances, this coverage may also apply when contamination renders property uninhabitable or unfit for its intended use, even if there is no obvious “physical loss.” In addition, depending on your industry, you may have purchased coverage that specifically applies to losses caused by “communicable or infectious diseases.”

Contingent business interruption insurance. This insurance is also typically part of a commercial property policy and covers economic losses resulting from a disruption in the business operations of a supplier or customer. This insurance, much like business interruption coverage, often is triggered by physical damage to the supplier's or customer's covered property.

Commercial general liability insurance. This insurance covers defense and indemnity costs incurred when third-parties sue and allege that you caused bodily injury, property damage, or personal injury. For example, this coverage may have been triggered when a couple quarantined on the “Grand Princess” sued the cruise line for exposing them to the novel coronavirus. These policies sometimes contain exclusions for communicable diseases like the coronavirus, but those exclusions may be ineffective, or they may only apply to some types of injuries and not others.

Property damage insurance. This insurance may help pay for cleaning and decontamination of your property.

Your Next Steps:

1. Find and review your policies.
2. Consider consulting an attorney.
3. Notify your insurers.
4. Do everything you can to minimize your losses.
5. Document everything.

Do not assume insurance coverage is not available for COVID-19 losses. If someone (such as your insurer or a broker or even a lawyer who does not regularly practice in this area) tells you your policies do not apply, get a second opinion. The policyholder coverage attorneys at [Plews Shadley Racher & Braun](#) are eager and well equipped to answer your insurance questions. It is what we do every day.