

**MEMORANDUM**

DATE: May 11, 2020

RE: Business Interruption Insurance Claims during the Coronavirus (COVID-19) Pandemic

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There continues to be significant uncertainty around the likelihood of coverage under the various business interruption policies that businesses may have. Insurers and, in some cases, brokers, continue to take the position that there is no coverage for losses resulting from COVID-19. Our view continues to be that we are all better off submitting claims for those losses now, knowing they will likely be rejected, but satisfying the insured's obligation to provide timely notice of a loss. We are monitoring insurers' positions on these issues and the litigation in this area and will provide any meaningful updates as and when available. If you are considering submitting a claim, keep the following in mind:

**Insurance Claims**

- Approval of a claim is more likely if your business was forced to shut down based on the government order, as opposed to operating under restriction.
- Work through your current insurance broker/agent to file the claim.
- When making the claim, keep specifics out; make the notice very general.
- It is safe to assume that insurers will continue to take a firm stance that the majority of COVID-19 losses are not covered by insurance.
- Scrutinize your policy and know that, though your insurer's first response will likely be "no," there may be more to the analysis.
- Most policies require direct physical loss, damage or injury, and that will likely remain the insurers' refrain. However, there are exceptions and, in some circumstances, the loss may fall within the coverage of a business interruption, general liability, worker's compensation, or other policy.

**Insurance Renewals / Worker's Compensation Premium Adjustments**

- For those who are or will be in the renewal process, know that this renewal will likely require more scrutiny and thought than usual.

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- If you have been forced to change the scope of employees' duties (for example, your chef is now making deliveries), you may be entitled to adjust the worker's compensation premiums you are paying. Your insurance broker can help with this.

We appreciate working with all of you and will continue to share suggestions and opportunities for preserving all of our businesses as the situation evolves. And, we are available to answer questions at your convenience.

For more information, please contact one of our [business attorneys](#) or [Todd Johnston](#) in our litigation group.

*This summary provides general information and should not be construed as legal advice or a legal opinion on any specific facts or circumstances. If you have specific legal questions, you are urged to consult with your attorney concerning your own situation.*