



Is there any coverage for damages caused by coronavirus in my business insurance policies?

(Keep in mind that the summaries below consider the intent of the coverage provided, as well as the traditional legal interpretations of the policy wording. In times like these, traditional interpretations can become liberalized by the courts, or by statute. Therefore, in most cases we would not discourage an insured from filing a claim when there are significant, verifiable damages.)

Business Interruption Insurance/ loss of supply chain –

In order to trigger Business Interruption coverage (BI) there must be direct physical damage to tangible property by a covered peril. (Example: a kitchen fire damages kitchen equipment and causes smoke damage, necessitating the restaurant to close for a month for clean-up and repairs – this would be an obvious BI claim). In the case of a reduction or loss of business due to Coronavirus, there is no apparent direct physical loss to your tangible property, so it is not likely that the coverage would be triggered. Also, most property insurance policies contain a specific virus exclusion.

Workers' Compensation –

The quick answer is that in the traditional sense coronavirus would not qualify as an “occupational disease”, and therefore would not qualify for coverage under workers compensation.

Two tests must be satisfied before any illness or disease, including the Coronavirus, qualifies as occupational and thus compensable under workers' compensation:

1. The illness or disease must be occupational," meaning that it arose out of and was in the course and scope of the employment; and
2. The illness or disease must arise out of or be caused by conditions “**peculiar**” to the work.

The second of these would be the tougher hurdle. An example of **peculiar** to the work would be black lung in the coal mining industry. In the case of a worldwide pandemic, “*peculiar to the work*” would be a tough test to pass. Healthcare workers would be in the best position to make the argument.

Commercial General Liability/ Professional Liability/ Pollution Liability –

What if your business gets sued, or you get sued in connection with professional services provided by your firm in connection with coronavirus? The circumstances of the claim and your policy will determine if the coverage will respond. We would recommend you notify us immediately should you be served with such a lawsuit or receive such a demand letter.