

## Q&A on Business Insurance Coverage and COVID-19

Below I've included some Q&A and tried being as brief as possible. Most importantly...if any NCRLA members would like a second opinion and don't feel like they are getting the answers they need, please give them my information. I'm pretty versed in all coverage forms and would be happy to help!

1. **Is my business eligible for Loss of Income coverage under my business insurance policy?**
  - a. While each property policy could be different, most insurance companies use the standard ISO (Insurance Service Office) forms. Those forms explicitly state, in summary, that there has to be a "Direct Physical Loss or Damage" to the insured property in order for "coverage" to be triggered. Included in that, is Loss of Income coverage. Since business closings, government ordered or otherwise, cannot be considered a "Direct Physical Loss or Damage", Loss of Income would not be triggered.
  
2. **What about if my business actually suffers from a COVID-19 outbreak?**
  - a. While this may seem like it would trigger coverage, due to the "physical" presence of the virus, Loss of Income coverage would still most likely not be triggered. In 2006, ISO created the "Exclusion of Loss Due to Virus or Bacteria" endorsement to be added to most all property policies. The creation and implementation of this form was a result of the 2003-2004 SARS outbreak and is designed to leave little doubt on the availability of coverage, or lack thereof.
  
3. **Should I still file a claim with my insurance company?**
  - a. I've been advising clients that, if they would still like to pursue a Loss of Income claim, to go ahead and submit it to your property insurer. While a quick denial may come, at least your notification will be formally documented. Having early documentation could prove valuable in the future. Each policy can be different, therefore it is important to obtain a formal response from your particular carrier, if there is any question on coverage.

\* While I am a commercial risk advisor, I am neither a licensed claims adjuster, nor a lawyer. The Q&A above are general interpretations of standard insurance coverage and should not be used to determine coverage availability in any way. Please consult with your insurance advisor and/or insurance company for a formal determination of your particular coverage. I would be more than happy to discuss any and all individual situations with NCRLA members directly.

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*(except workers' compensation claims, which are filed directly with the carrier)*