

MSF CLIENT ALERT

Meister Seelig & Fein LLP | 125 Park Avenue New York, NY 10017 | 212.655.3500 | meisterseelig.com

Coronavirus Guidance – Business Interruption Insurance

Meister Seelig & Fein LLP is equipped to assist you as needed during this unprecedented time. We take pride in our strong client relationships and are prepared to assist you around the clock as you navigate this rapidly changing landscape.

As the novel coronavirus (COVID-19) pandemic unfolds more and more business owners are facing the reality of a slowdown in business activity and, in some cases, a government-ordered shutdown. Business owners need to be well informed about their options, potential financing resources, government programs and other protections. One of those protections could be your insurance policies.

Many businesses carry **Business Interruption Insurance**. This coverage provides reimbursement for lost revenue caused by disaster. Some policies also provide coverage for the interruption of contingent businesses, such as a supply chains or major customers. Like all contractual arrangements, even more so with insurance policies, the devil is always in the details.

Generally, Business Interruption Insurance provides coverage for business losses due to physical loss of, or actual damage to, the covered property. Thus, the policyholder must establish the existence of damage to, or loss of, the covered property before a claim for lost revenue can be made. The paramount question becomes whether the presence of the coronavirus in your area or within your covered property will be deemed “damage to”, or “a loss of” the covered property.

Reports from the CDC that the coronavirus can be transmitted on contact with infected surfaces and can live on surfaces like glass, metal or plastic for days will undoubtedly help business owners prosecute insurance claims. Ultimately, the language of your specific policy will be critical. In order to analyze your coverage and the potential for success of a claim, particular attention needs to be paid to any definitions or descriptions of the terms “damage” and “loss.” These terms often remain undefined in the language of the policy and one then must rely on case law interruptions in relevant jurisdictions.

Additionally, insurance policies commonly contain specific exclusions from coverage. These exclusions could include pollution or contaminants, viruses, bacteria and epidemics.

On the other hand, some Business Interruption policies include coverage for pollutants and infectious disease. These coverages may be available to policy holders affected by coronavirus. Similarly, business that were forced to close because of a directive from a civil authority may also have a claim for coverage.

Prudent business owners should conduct a comprehensive review of their insurance policies and consult legal experts to ascertain coverage amidst the coronavirus pandemic. Additionally, business owners should take proactive steps to document their losses. This means retaining records such as tax returns, accounting ledgers and bank statements from the periods before and during the coronavirus crisis.

MSF CLIENT ALERT

Meister Seelig & Fein LLP | 125 Park Avenue New York, NY 10017 | 212.655.3500 | meisterseelig.com

Let Us Know How We Can Help



Judd H. Cohen
Partner | Chair, Corporate
(212) 655-3525 | jhc@msf-law.com



Denis A. Dufresne
Partner | Corporate
(212) 655-3548 | dad@msf-law.com



Bob G. Goldberg
Partner | Chair, Taxation
(212) 655-3526 | bgg@msf-law.com



Kenneth S. Goodwin
Partner | Corporate
(212) 655-3563 | ksg@msf-law.com



Richard C. Leska
Partner | Corporate
(212) 655-3582 | rcl@msf-law.com



Louis Lombardo
Partner | Corporate
(212) 655-3518 | ll@msf-law.com



Agatha Rysinski
Associate | Corporate
(646) 755-3172 | adr@msf-law.com

The information contained in this publication should not be construed as legal advice. The invitation to contact is not a solicitation for legal work under the laws of any jurisdiction in which Meister Seelig & Fein LLP are not authorized to practice.

Additional COVID-19 Resources

[MSF Coronavirus Guidance Hub](#)

[Coronavirus Guidance -Corporate](#)

[What Every Employer Needs To Know](#)

[Coronavirus Guidance – Paid Sick Leave](#)

[New COVID-19 Protections for New York Employees signed on March 18, 2020](#)

[Coronavirus Guidance - Real Estate](#)

[Coronavirus Guidance – Taxation & Estates](#)