

## Your Insurance Checklist for COVID-19 Impacts and Losses

By: Angela R. Elbert and Seth D. Lamden

March 16, 2020

As business losses caused by COVID-19 begin to mount, you should carefully review your insurance policies to determine whether you may be covered. Neal Gerber Eisenberg's Insurance Policyholder practice group can assist you with this process.

### Are You Covered?

- **Coverage for Economic Losses Due to Inability to Conduct Business Operations. *Business interruption insurance***, which is typically part of a commercial property insurance policy, covers economic losses resulting from a disruption in business operations. Business interruption insurance often is triggered only by physical damage to covered property. However, the law is unsettled as to whether contamination that renders property unfit for its intended use constitutes physical damage. Moreover, some business interruption insurance is triggered by communicable or infectious disease or when a government authority limits access to the insured's property.
- **Coverage for Economic Losses Due to Supply Chain Disruptions. *Contingent business interruption insurance*** covers economic losses resulting from a disruption in the business operations of a supplier or customer. As with business interruption insurance, this insurance often is triggered only by physical damage to the supplier's or customer's covered property, but there may be exceptions.
- **Coverage for Economic Losses Due to Events Cancellations. *Event cancellation insurance*** covers economic losses resulting from the cancellation, postponement, or relocation of an event for reasons beyond the control of the event organizer. Some, but not all, event cancellation policies contain exclusions for infectious disease.
- **Coverage for Bodily Injury Lawsuits Brought by Third Parties. *Commercial general liability insurance*** covers defense and indemnity costs incurred in connection with lawsuits alleging, among other things, bodily injury.

### How to Maximize Potential Insurance Coverage.

- **Notify Your Insurers.** Failure to provide timely notice to an insurer could give an insurer a basis to deny your claim. Read notice provisions in your policies carefully. Your broker can help you with providing notice.
- **Mitigate Losses.** If you are able to mitigate losses, you should do so, as loss mitigation is required by some insurance policies.
- **Document Losses.** Keep careful records of all economic losses and preserve information and documents necessary to calculate your losses.



---

**This alert was authored by**

Angela R. Elbert | 312-269-5995 | [aelbert@nge.com](mailto:aelbert@nge.com)

Seth D. Lamden | 312-269-8052 | [slamden@nge.com](mailto:slamden@nge.com)

If you have any questions about your company's insurance coverage policies, do not hesitate to contact [Angela Elbert](#), [Seth Lamden](#), any other member of Neal Gerber Eisenberg's [Insurance Policyholder group](#) or your [Neal Gerber Eisenberg](#) point of contact.

---

*Please note that this publication should not be construed as legal advice or a legal opinion on any specific facts or circumstances. The contents of this publication are intended solely for general purposes, and you are urged to consult a lawyer concerning your own situation and any specific legal questions you may have.*

*The alert is not intended and should not be considered as a solicitation to provide legal services. However, the alert or some of its content may be considered advertising under the applicable rules of the supreme courts of Illinois and certain other states.*

© Copyright 2020 Neal, Gerber & Eisenberg LLP