



The rapidly spreading COVID-19 (“Coronavirus”) outbreak has disrupted businesses operating throughout the United States and the world. Many have either revised working hours or shut down completely. Business has accordingly slowed or come to a halt and each day adds further losses, some of which may be covered by insurance. While your particular policy language will control your ability to assert a claim, please consider the following general points that may be helpful for a first assessment of a business interruption (“BI”) loss:

- BI coverage may be available when a civil authority prohibits access to the policyholder’s premises.
- BI coverage may extend to temporary closures due to “dependent properties,” such as a major supplier to the policyholder.
- Some commercial property policies may have coverage extensions for contingent business interruption, denial of access (non-damage), public service extension, ingress-egress extension, loss of attraction extension, or public authority extension which may, to a certain extent, provide possible coverage for BI caused by Coronavirus.
- Many commercial property policies require a direct physical loss to the property in question, caused by a covered peril, to be the cause of the business interruption.
- Policyholders should review their contracts with customers and suppliers for force majeure clauses providing temporary relief from compliance with normal time and cost/payment requirements.

A careful review of the terms and conditions of your insurance policy is essential. We also recommend that you carefully document all expenses associated with your business interruption and efforts to mitigate risk of loss.

For further information, please contact:

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