

**Business Interruption
Insurance – Prepare
Today for What’s
Coming Tomorrow**

Businesses across the country are having to close their doors and rethink how they can continue to conduct business in light of the rapidly spreading COVID-19 virus. Many employers are trying to find ways to both protect their employees and their customers, while at the same time minimize the negative effect these changes will bring on their business. By taking steps to prepare today, employers will be more prepared for what is coming tomorrow.

Now is the time for all businesses to familiarize themselves with their Insurance Policies. If your policy includes business interruption insurance, then your business may have the ability to recover from the losses resulting from the loss of business resulting from the COVID-19 pandemic. Business interruption insurance is coverage that replaces business income lost in the event that the business is halted due to a covered peril. It is typically not a separate policy, but may have been added to your commercial property coverage. Whether you are a business that voluntarily made changes to your business for the health and safety of all involved or a business that has been ordered to alter/cease business by a governmental agency, if you have business interruption insurance, there may be a way to recover these losses incurred by your business.

We are now all faced with several unanswered questions. Will the COVID-19 virus qualify as a covered peril? Will the sheer presence of the virus qualify as the required 'physical damage' and can that damage be shown as the cause of the loss of income to the business?

In order to best preserve any potential claim for coverage, it is vital that businesses prepare now. For example, it is important to fully document all of the mitigating actions that were taken as a result of COVID-19. Further, by gathering financial documents now, businesses will be prepared to thoroughly document the business losses at the appropriate time. Finally, you should consider the notice and claim reporting requirements your policy may impose. Failure to comply with those provisions could result in loss of coverage you've paid for under your policy.

It is vital for businesses to fully understand their business interruption insurance because these policies are subject to limitations and exceptions. Anytime you are faced with questions concerning your insurance policy and potential coverage on a claim, it is always best practice to have your situation reviewed. Please contact Middleton Reutlinger with any questions.