

Many businesses carry what is known as business interruption insurance as part of their insurance coverages. A number of these policies contain an exclusion for loss caused by a virus or bacteria, and insurance companies are relying on this exclusion to deny coverage for financial losses caused by the need to shut down a business during the pandemic and the resulting governmental orders. Some insureds are challenging the virus exclusion, and there are some legislative efforts underway to require insurers to provide coverage for business interruption, even if the applicable policy contains the exclusion. However, it is important to know that some business interruption insurance policies do not contain this exclusion, and yet some insurance companies are denying coverage.

If your company has suffered a business interruption loss due to the current shut down orders, it is critically important that you review your business interruption insurance policy to determine whether or not it contains the virus and bacteria exclusion. If your policy does not contain such an exclusion, contact Attorney Rick Russo (rrusso@rjglaw.com) or one of the other insurance bad faith attorneys at Rosenn Jenkins & Greenwald.