

BUSINESS INTERRUPTION COVERAGE - INSURANCE INDUSTRY AND LAWMAKERS WEIGH IN

MARCH 2020

In a letter dated Wednesday March 18, 2020, a bipartisan group of U.S. Congressional lawmakers urged four major insurance trade organizations "to make financial losses related to COVID 19 and other infectious disease-related losses part of their commercial business interruption coverage for policy holders." The lawmakers advised that the "shelter-in-place" orders that have been issued around the country "will no doubt have an economic impact on America's businesses, particularly its small businesses." They argued that:



**Business
Interruption
Coverage**
Lawmakers and Insurance
Industry Weigh In

Business interruption insurance is intended to protect businesses against income losses as a result of disruptions to their operations and recognizing income losses due to COVID-19 will help sustain America's business through these turbulent times, keep their doors open, and retain employees on the payroll.

During times of crisis, we must all work together. We urge you to work with your member companies and brokers to recognize financial loss due to COVID-19 as part of policyholder's business interruption coverage. Additionally we stand ready and willing to work with you on any future measures that might be necessary to see our country through this trying time.

The bipartisan Congressional letter can be found by clicking: [Congressional Letter to Insurance Industry - March 18](#)

In a joint response dated March 18, 2020, the National Association of Mutual Insurance Companies, Independent Insurance Agents & Brokers of America, the Council of Insurance Agents and Brokers, and the American Property Casualty Insurance Association wrote:

Standard commercial insurance policies offer coverage and protection against a wide range of risks and threats and are vetted and approved by state regulators. Business interruption policies do not, and were not designed to, provide coverage against communicable diseases such as COVID-19. The U.S. insurance industry remains committed to our consumers and will ensure that prompt payments are made in instances where coverage exists.

The insurance trade organizations indicated that they "stand ready to work with Congress on solutions that provide the necessary relief as soon as possible."

The joint letter from the Insurance Industry can be found by clicking: [Insurance Industry Response - March 18](#)

For more information on this issue, see Weston Hurd's previous client alert entitled "[Business Interruption Coverage and the Coronavirus.](#)"

Weston Hurd attorneys will continue to monitor this issue and provide updates to clients as the situation develops.

About the Author



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