



Business Income Coverage

Over the past few weeks we have answered hundreds of questions regarding possible insurance coverage for COVID-19 related claims. Many commercial property policies include coverage for business income and extra expense related to business shutdowns however it requires a direct physical loss to property to trigger the coverage. A virus/ pandemic is not typically considered a direct physical loss to property. In addition virtually all commercial property policies include the attached **CP0140 – Exclusion of Loss Due to Virus or Bacteria** which specifically excludes coverage for damages due to virus including business income and civil authority claims. Based on a review of these forms, conversations with claims adjusters from several insurance carriers and information provided by trade journals/forums we do not believe coverage would apply for COVID-19 related claims.

However GHM Insurance, as your agent, is not the one that ultimately decides if coverage applies, that is done by the insurance company and their claims adjusters. If your business has been impacted by the COVID-19 pandemic our recommendation is to report a claim to your insurance carrier. In the event that coverage does not apply they will send you a letter explaining why your policy does not provide coverage for the claim, likely referencing one or both of the items mentioned above. This letter may be helpful as you work through other avenues of helping your business through this difficult time. It is common for the Small Business Administration or other government programs to request something stating you attempted to recover from your insurance policy before they approve funding. Doing this in advance may help speed things along if you choose to seek help from these programs.

If you would like to file a claim for review by your insurance carrier please contact our office and we will get a claim submitted. The easiest way to do so is by emailing our claims handler – **Diane Guerette** -diane@ghmagency.com, please include your business name, location impacted, date you were shut down or impact began, current contact information and any other information that may help with our initial report. Once submitted a claims adjuster will be assigned to review the loss, your coverage and contact you. If you simply want a letter for your file we can request one from your insurer so you have it available if needed.

If you have any questions please call the office at 207-873-5101.