

## COVID-19 and Your Business

### Can Insurance Help? An Important Update.

Many business owners are currently experiencing losses in sales and closures which may lead to questions regarding business interruption coverage within property policies.

In March, we published a Risk Insight that noted that property insurance policies—and the resulting business interruption coverage—require physical damage by an insured peril to trigger a claim. And, that insurers are unlikely to view the introduction of COVID-19 as a direct cause of physical loss or damage.

### WE NOW HAVE AN IMPORTANT UPDATE TO SHARE.

The legal and regulatory environment is fluid at present regarding the potential for coverage for losses arising out of COVID-19, with various views emerging on what constitutes physical damage. For example, on April 1, 2020, the Ontario Superior Court of Justice released a decision finding that loss of use in itself was sufficient to trigger coverage under the insured's property policy.

This is a ground-breaking decision, however, it is unclear whether it will be appealed.

While this case had no specifics regarding infectious disease, we believe that in light of the ruling, and potential other litigation, court cases and government actions, coverage for a loss resulting from a virus (COVID-19) triggering policy coverage, cannot be ruled out subject to all other terms and conditions of the policy.

### OUR ADVICE TO CLIENTS:

If you have experienced any COVID-19 related loss, including business interruption—or with respect to a mandatory shutdown directive, **contact your insurance advisor to carefully review your policies and discuss submitting a claim to your insurer.**

We urge you to track any potential costs incurred or loss of revenue suffered arising out of COVID-19 to ensure you will have the best chance of seeking recovery through insurance or other methods, should avenues to coverage become clear in the future that may not be obvious at the present time.

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If you have questions specific to your business, or would like additional information, please reach out to your Iridium Advisor.

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**LET US HELP YOU MANAGE YOUR RISK**

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