

Information on Covid-19 and Insurance Claims

“For the past three months there has been a lot of information about Covid-19. What is not clear is how insurance policies, in particular, commercial insurance policies do or do not provide coverage for losses experienced because of Covid-19 or government reaction to Covid-19,” discusses Mark S. Humphreys in his ***Dallas Fort Worth Insurance Lawyer Blog***.

“In the wake of government orders shutting down or seriously limiting the operations of businesses to deal with the COVID-19 outbreak, many affected businesses have turned to their insurers for coverage. This has led to a flurry of lawsuits across the nation seeking rulings that such claims are covered and asserting that the failure to accept such claims constitutes breaches of contract, bad faith, and other common law and statutory violations.”

“Perhaps anticipating that courts may find these purported losses not covered under applicable policies of insurance, insureds have begun to look elsewhere for relief, including to insurance brokers, as demonstrated by three recent lawsuits: *Sean Boutros, M.D., P.A. v. Sentinel Insurance Co. Ltd.*, *John’s Grill v. The Hartford Financial Services Group, Inc.*, and *Ybarra Investments, Inc. v. Scottsdale Insurance Company*. In all three cases, insureds sought business interruption coverage after their businesses were forced to shut down due to COVID-19, and all three sued the insurer and the broker through which they purchased the insurance.”

Read the article.