

N.C. Judge First to Favor Policyholders in COVID-19 Closure Lawsuit

“A judge in Durham County, North Carolina has handed down what may be the nation’s first dispositive ruling in favor of policyholders in a COVID-19 business-interruption lawsuit,” reports Jim Sams in *Claims Journal*.

“Superior Court Judge Orlando F. Hudson Jr. ruled on Oct. 7 that closure orders that restricted the use of a group of 16 restaurants in the Raleigh-Durham area constituted a ‘direct physical loss’ that was covered by the policy.”

“According to a litigation tracker maintained by the University of Pennsylvania law school, as of Thursday 1,183 lawsuits have been filed seeking coverage from insurers for business income losses caused by coronavirus closure orders. Judges have granted insurers’ motions to dismiss in 26 cases, but have denied dismissal motions in 12 cases, including the Durham County lawsuit, according to the university’s data.”

Read the article.