



COVID-19 & Your Commercial Property and Casualty Insurance Program

As the novel coronavirus, COVID-19, has now been designated a pandemic by the World Health Organization and more than 1,200 cases have been confirmed in the United States, many employers are wondering how their property and casualty insurance policies will respond. Below are some general guidelines for the primary lines of insurance coverage:

Property Insurance and Business Interruption

Property insurance requires physical loss or damage caused by an insured peril to trigger coverage for business interruption. Diseases and viruses are not generally considered an insured peril and do not cause property damage. The lack of property damage and an insured peril means that business interruption coverage will most likely not respond.

General Liability

The commercial general liability policy responds to claims against an insured arising out of that insured's negligence or alleged negligence. In the event that an insured is alleged to have negligently caused the spread of the disease the commercial general liability policy may respond. Contagious disease may or may not be considered as an exclusion under a general liability policy; however, these claims will likely be subject to case law and will be interpreted differently in each state.

Workers' Compensation

Applicability of Coverage depends on how each state treats disease or occupational disease. For exposure to coronavirus to be compensable, the exposure must both arise out of employment and be in the course and scope of employment when the exposure took place. Simply being exposed to the coronavirus while at work will generally not satisfy the compensability test in most states; instead, there must be an employment risk inherent to the exposure (e.g. a research scientist working with the virus).

Our team is dedicated to helping our clients navigate this pandemic and safeguard the health and well-being of their employees and communities. Please review your policies or contact your [Scott Risk Advisor](#) with any questions or concerns regarding your organization's specific circumstances.