

## Coronavirus and Your Business Insurance: *What You Need To Know.*

Many of our clients have been asking how their insurance policies will respond to the Coronavirus. Specifically, we are fielding questions related to workers' compensation and lost business income. We encourage you to call our offices with any questions or concerns you may have. As your trusted insurance advisor, we have prepared this guidance bulletin.

### **Coronavirus & Workers Compensation Insurance**

Two tests must be satisfied before any illness or disease, including the Coronavirus, qualifies as occupational and thus compensable under workers compensation:

1. The illness or disease must be "occupational," meaning that it arose out of and was in the course and scope of the employment, and
2. The illness or disease must arise out of or be caused by conditions "peculiar" to the work.

Whether an illness qualifies as occupational is subject to interpretation. An illness or disease is "peculiar" to the work when the ailment is found almost exclusively in workers of a defined industry, or unique working conditions.

It is our opinion that the Coronavirus does not meet these tests. Still, each case must be decided on its own set of circumstances, and so it is our strong recommendation employers follow the law. Employees have the right to report any work-related injuries to their employer. Employers are responsible for reporting that information to their state's Division of Workers Compensation and Workers Compensation insurance carrier.

Your insurance carrier will determine if a claim is compensable. If an employee disagrees with the insurance company's decision, they have redress through the Division of Workers Compensation and the courts.

### **Coronavirus and Business Income Insurance**

Business Income insurance traditionally pays lost income claims due to a disruption of business resulting from physical damage to insured property such as buildings, contents, and equipment. While there may be exceptions, most insurance policies exclude business disruption losses due to diseases, including Coronavirus.

The Coronavirus has quickly impacted our economy. In response, government regulators are issuing extraordinary measures. In the aftermath of Hurricane Katrina, insurance carriers were forced by the courts to pay claims that had previously been denied. At Bukaty Property & Casualty, we strongly encourage our clients to report any circumstance which might give rise to a claim. We will diligently assist our clients in seeking a favorable outcome.

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#### **Need More Help:**

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