



Business Interruption Insurance Claims



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My Life as a Brewery Lawyer Prior to March 15, 2020:



Now...



What is a CGL Policy?

Commercial general liability (CGL) is a type of insurance policy that provides coverage to a business for bodily injury, personal injury, and property damage caused by the business's operations, products, or injuries that occur on the business's premises. Commercial general liability is considered comprehensive business insurance, though it does not cover all risks a business may face.



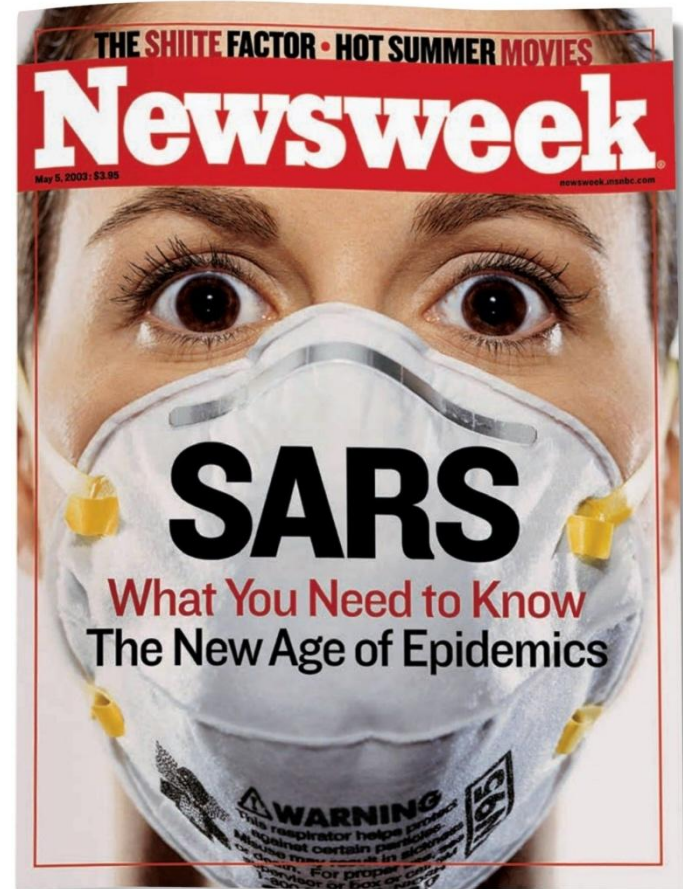
Business Interruption Coverage

- ❖ Business interruption insurance is a type of insurance that covers the loss of income that a business suffers after a disaster. The income loss covered may be due to disaster-related closing of the business facility or due to the rebuilding process after a disaster.
- ❖ It differs from property insurance in that a property insurance policy only covers the physical damage to the business, while the additional coverage allotted by the business interruption policy covers the profits that would have been earned.
- ❖ This type of coverage can be added onto the business' property insurance policy or comprehensive package policy such as a business owner's policy (BOP) or as part of a standalone policy in some jurisdictions.



Business Interruption Post-SARS

- ❖ Following the SARS outbreak in 2003, several insurance companies changed their policies to specifically exclude business interruption claims due to “viruses” or “pandemics”.
- ❖ BUT: other companies did not....



Federal Response to COVID-19 Claims

“You have people that have never asked for business-interruption insurance and they have been paying a lot of money for a lot of years for the privilege of having it and then when they finally need it, the insurance company says ‘We’re not going to give it.’ We can’t let that happen.”

- *President Trump*

BUT: thus far the Treasury Department has opposed forcing insurance companies to pay COVID-19 related business interruption claims.

In the meantime...



Business Interruption Lawsuits

- ❖ Chestnut Cambronne is reviewing a brewery's CGL policy at no cost
- ❖ If the policy does not contain a virus/pandemic exclusion, we intend to file a class action lawsuit against the insurer.
- ❖ If there is an exclusion, we will have to proceed outside of the class cases.



Bad Faith Insurance Laws

- ❖ Most states have “bad faith” insurance laws.
- ❖ These laws prevent an insurer from retaliating against an insured for pursuing a claim against the insurer.





For More Information:

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