

# **The Novel Coronavirus and Business Interruption Insurance – FAQs**

## **What does my business interruption insurance cover?**

Your business interruption insurance policy should list or describe the types of events it covers. Events that are not listed on, or not described in, the policy are typically not covered. It is important to review the policy exclusions, coverage limits, and applicable deductibles. You should also determine if the policy requires your business interruption to last for a certain time period before you are entitled to any policy benefits.

Business interruption coverage typically can only be triggered if you have property loss that leads to the business interruption. One example could be that a fire in your office has caused you to suspend your business activities.

Because coverage varies across policies, you will need to read your particular policy and consult your broker or insurer or its agent for more information.

## **How does my coverage work if I have more than one business interruption insurance policy?**

Multiple policies may have been structured to provide greater limits or broader coverage than what might have been available from one policy. You should contact your broker or insurer(s) or any related agent to obtain a full explanation of your total coverage.

## **I do not have any policy that says it is a business interruption policy – is it possible that I have coverage under another type of policy?**

It is possible to have business interruption coverage under another type of insurance policy. For example, there may be available coverage in policies that cover perils arising out of actions by civil authorities or interruption of your supply chain. Business interruption coverage may also be part of a package of multiple coverages that have been combined or are contained in a Special Multi-Peril or Business Owners policy.

You should contact your broker to obtain an explanation of related coverage in other types of policies you may hold. Any insurer or its agent whose policy you purchased should explain whether it provides business interruption coverage.

## **I have a policy that is called a contingent business interruption insurance policy – how is that different from a regular business interruption insurance policy?**

As explained in "**What does my business interruption insurance cover?**" above, business interruption coverage requires a related property damage. For a contingent business interruption insurance policy, that property damage can be on someone else's property but causes your business interruption. One example could be that a fire in a building on your street has closed the street to traffic and prevented your employees from coming to the office.

As with regular business interruption insurance policies, coverage can vary and you should consult your broker or insurer or its agent.

## **How does my business interruption insurance policy treat the novel coronavirus (COVID-19)?**

It is unlikely that a current business interruption policy has contemplated the coronavirus specifically. However, you should check to see if your policy has an exclusion that would disable coverage for an incident triggered by an epidemic or pandemic, which might apply as the COVID-19 situation evolves. Also, any claim would still need to be related to your property damage for coverage to be triggered.

## **If I do not have an existing business insurance policy that covers COVID-19, can I buy one?**

Insurers typically do not write coverage for known events for which the extent of potential damage is not easily understood, although it is possible to insure specialty risks such as business interruption due to COVID-19 in the Excess Lines market. Because the Excess Lines market is not regulated by the Department, we do not recommend it - there is much less regulatory protection for consumers in that market and the cost may be excessive. You should discuss any potential purchase in the Excess Lines market with your broker or insurance consultant.

## **Does my business interruption insurance policy cover me if my employees stay home out of concern about COVID-19?**

As explained in “**What does my business interruption insurance cover?**” above, business interruption coverage requires a related property damage. Fear of COVID-19 alone is unlikely to trigger business interruption insurance coverage.

## **Does the Governor’s declaration of a State of Emergency affect my business interruption insurance policy?**

The State of Emergency declaration does not change the terms of your business interruption policy. It does, however, indicate the serious attention that the Governor has directed all State agencies to give to COVID-19. As a result, the Department of Insurance is focused on consumers having the greatest amount of knowledge about their business interruption insurance.

## **Who can help me understand my business interruption insurance?**

Your broker should be able explain your coverage benefits. The issuer of your policy or its agent should be able to do the same. Any of them may have a website that explains your business interruption benefits.

### **Can the Department of Insurance help me if my insurer or broker does not?**

If you cannot find the answer to your question in these FAQs, call our Consumer Helpline: (800) 203-3447 or (860) 297-3900. The CID Hotline is available Monday through Friday, 8:30 AM to 4:30 PM, or send us an email to [insurance@ct.gov](mailto:insurance@ct.gov).

Consumers with complaints about a business interruption insurance policy should contact [CID online here](#).