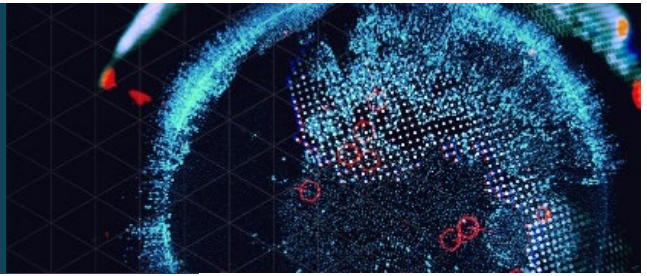


Coronavirus/COVID-19 Insurance Best Practices



As the implications of the Coronavirus/COVID-19 continue to evolve, our policyholder-side insurance lawyers have compiled the following best practices. For more guidance, see our [COVID-19 toolkit](#).

1

Gather and review potentially relevant insurance policies. All of the policies below potentially cover Coronavirus-related losses:

- Property/Business Interruption.
- Event Cancellation.
- Pollution Legal Liability.
- General Liability.
- Directors and Officers Liability.
- Employment Practices Liability.
- Professional Services.

2

Focus in particular on Property/Business Interruption and any Event Cancellation policies:

- Property/Business Interruption policies may cover, among other things: 1) the cost to clean up physical property and render it safe for use, including contaminated factories, buildings or other real property, and parts, supplies or other personal property; and 2) lost revenue or lost profits resulting from shutdowns, or customer or supply chain disruptions caused by the Coronavirus.
- Event Cancellation policies may cover, among other things: the amount you are out of pocket, including extra costs related to refunds, vendor costs, notification costs, and administrative costs, as well as the lost revenues resulting from a cancellation.

3

Look for the following in your policy:

- Communicable Disease coverage grants — some policies contain such coverage.
- Contamination Exclusions — depending on how they are worded, they may not preclude COVID-19 coverage; in addition, they may not apply to all coverages under the policy, and may not apply if the policy contains a Communicable Disease coverage grant.
- Various Conditions/Requirements — when notice is required; level of claim proof required and timing; loss mitigation requirements. Some policies (and some court rulings) require notice to be given very soon after a claim arises (sometimes within weeks).

4**Consider the applicable law:**

- Most policies do not have choice-of-law provisions.
- In the absence of such a provision, well-established legal rules help determine the applicable law.
- The coverage provided and various conditions can be greatly affected by the law of the applicable jurisdiction.

5**Document your claim, including:**

- The presence of the Coronavirus/COVID-19 at the relevant location(s) (ideally documented by an expert/vendor).
- The time frames for shutdowns, supply disruptions, etc.
- All lost income and extra expense attributable to the Coronavirus/COVID-19.

With Covington’s assistance, our clients have recovered tens of billions of dollars in insurance for property damage, business interruption, contingent business interruption, and other insured losses. Covington has the top-ranked policyholder practice in the U.S. according to *Chambers USA, Legal 500*, and other law firm rating guides. We help policyholders collect the amounts they are entitled to under a variety of first-party insurance coverages including business interruption, contingent business interruption, event cancellation extra expense, contingent extra expense, civil authority, ingress/egress, and many others. Covington’s insurance practice group has helped policyholders with losses arising out of numerous disasters from hurricanes (Irma, Maria, Katrina, and many others), terrorist attacks (September 11), train derailments (Lac-Mégantic and others), explosions (Deepwater Horizon and others), and other large losses (Exxon Valdez). Our record of maximizing insurance recoveries — through negotiation, arbitration, and litigation — spans more than 40 years, and has been described as “the gold standard for policyholder work.”

If you have any questions regarding coverage for the coronavirus or other issues, please contact the following members of our Insurance Recovery Practice:

<u>Mitchell Dolin</u>	+1 202 662 5210	<u>mdolin@cov.com</u>
<u>Anna Engh</u>	+1 202 662 5521	<u>aengh@cov.com</u>
<u>Gretchen Hoff Varner</u>	+1 415 591 7056	<u>ghoffvarner@cov.com</u>
<u>Georgia Kazakis</u>	+1 202 662 5423	<u>gkazakis@cov.com</u>
<u>Benedict Lenhart</u>	+1 202 662 5114	<u>blenhart@cov.com</u>
<u>Richard Mattick</u>	+ 44 20 7067 2023	<u>rmattick@cov.com</u>
<u>Martin Myers</u>	+1 415 591 7026	<u>mmyers@cov.com</u>
<u>Matthew Schlesinger</u>	+1 202 662 5581	<u>mschlesinger@cov.com</u>
<u>René Siemens</u>	+1 424 332 4751	<u>rsiemens@cov.com</u>
<u>Bert Wells</u>	+1 212 841 1074	<u>bwells@cov.com</u>

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