



METROPOLIS OF
SAN FRANCISCO

Insurance Considerations Related to Business Interruption

Insurance Language is not standardized. Property (including business interruption) policies could have various exclusions for fungus, bacteria, virus, pandemic and infectious disease which would negate coverage;

Since business interruption coverage is included within the property component of an insurance policy, it typically requires physical damage directly to covered property resulting in loss of and or use of that covered property as a precursor to coverage. In the event of civil authority, physical damage to nearby property is required resulting in loss of and or use of covered property as a precursor to coverage;

It is imperative to track the potential business interruption amount of loss. Although most policies provide a specific dollar coverage limit, they also require a deductible (time period) to elapse before they provide potential reimbursement. In the event of civil authority, coverage is typically restricted to only a few weeks. If the claim is accepted, accounting backup must be provided in order to prove up a claim.

Potential Legislative changes have been proposed in various jurisdictions that could bolster the possibility for coverage to apply, irrespective of any policy exclusions;

If you feel you have a valid claim, tender it to the carrier or agent for processing as most policies have a requirement for timely reporting.

If you have any questions please contact:

Nick Svetcoff nick.svetcoff@gmail.com (415) 640-8170 or

Bill Marutsos Bmarutsos@yahoo.com (213) 479-7055