

COVID-19 and Your Business

Can Insurance Help? An Important Update.

Many business owners are currently experiencing losses in sales and closures which may lead to questions regarding business interruption coverage within property policies.

In March, we published a Risk Insight that noted that property insurance policies—and the resulting business interruption coverage—require physical damage by an insured peril to trigger a claim. And, that insurers were unlikely to view the introduction of COVID-19 as a direct cause of physical loss or damage.

WE NOW HAVE AN IMPORTANT UPDATE TO SHARE.

On April 1, 2020, the Ontario Superior Court of Justice released a decision finding that loss of use in itself may be sufficient to trigger coverage under the insured's property policy.

This decision was based on a unique set of facts, and a particular policy wording. This does not mean that Insurers are going to cover COVID-19 Business Interruption claims which were not a result of underlying physical damage at the insured premises, and there are other coverage obstacles to overcome in obtaining coverage for a COVID-19 related claim.

While this case had no specifics regarding infectious disease, we believe that in light of the ruling, coverage for a loss resulting from a virus (COVID-19), cannot be summarily ruled out. However, the Ontario Superior Court ruling is also very likely to be appealed.

OUR ADVICE TO CLIENTS:

If you have experienced any COVID-19 related loss, including business interruption—with respect to the mandatory shutdown directives, contact your insurance advisor to carefully review your policies or discuss submitting a claim to your insurer.

WHAT'S NEXT?

This is an evolving industry-wide situation resulting from an unprecedented event. As of today, we still cannot say if COVID-19 claims will be covered. Coverage analysis must be based on the wording within an insured's specific policy—and there are many nuances.

However, this ruling has changed the space, and we would recommend that clients contact their insurance advisor should they feel they have a claim to submit.

We will continue to track Federal and Provincial measures, and will provide updates on a regular basis to support you and your business through this pandemic.



If you have questions specific to your business, or would like additional information, please reach out to your Jones DesLauriers Advisor.

LET US HELP YOU MANAGE YOUR RISK

2375 Skymark Avenue
Mississauga, ON L4W 4Y6
1.877.232.9996

www.jdimi.com
www.navacord.com
info@jdimi.com