

The outbreak of COVID-19 acute respiratory disease may cause a significant economic impact for businesses and individuals. Business closures, lost sales and cancelled or lost rentals will naturally give rise to questions as respects business interruption and loss of rent coverage under property policies.

Business Interruption Insurance

Most standard Business Interruption and Loss of Rent policies provide cover if your property has suffered a loss by an insured peril. Therefore, it is intended to respond if the building or property that you use/occupy/rent is damaged, destroyed or suffers a material damage loss that is covered by your property insurance. Below are a list of the standard insured perils.

- Fire,
- Lightning,
- Explosion,
- Earthquake and/or volcanic eruption,
- Hurricane, cyclone, tornado or windstorm,
- Flood,
- Aircraft and other aerial devices,
- Escape of water from any tank apparatus or pipe,
- Impact by road vehicle or animal,
- Riot, Civil commotion, strikers

Subject to each insurers policy wording.

Physical Damage

The trigger for any property insurance policy and resulting Business Interruption / Loss of Rent coverage is physical damage to insured property by an insured peril. Therefore, any business interruption loss resulting from infectious disease is not intended to be covered and is specifically excluded under most policies.

For More Information

It is critical to review each policy of insurance in its entirety to determine the extent, if any, of coverage available for the effects of the coronavirus. If you have specific coverage questions, please contact your policy representative.
