Coronavirus and Commercial Property Claims for Massachusetts

Eastern Insurance has started to receive client inquiries about BII losses related to the Coronavirus concerning what, if any, coverage there may be? Questions encompass both voluntary cease of operations, as well as governmental authority mandates.

As there are many different forms and endorsements out there purchased by our clients with carrier partners, this would have to be handled on a case by case basis, much like the application to WC claims.

While we are not informing of hypothetical coverage “what if’s”, if any client HAS sustained a monetary loss, we are encouraging them to report such a loss to have the carrier make a coverage determination.

There are many different coverage endorsement forms, which DO add some coverage limitations to canceled events, fundraising and/or conferences, so we should be reporting such claims to respective property carriers.

Eastern Benefits can, however, supply some information on coverage potential and/or exclusions.

Attached is an ISO form exclusion that is found on many Property policies for reference.
COMMERCIAL PROPERTY
CP 01 76 09 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MASSACHUSETTS – EXCLUSION OF LOSS
DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.

B. We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.

C. With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".

D. The following provisions in this Coverage Part or Policy (including those in Massachusetts – Fungi, Wet Rot, Dry Rot And Bacteria Exclusion And Limitations Endorsement CP 10 64 applicable to the Causes Of Loss – Special Form if attached to this policy) are hereby amended to remove reference to bacteria:

1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and

2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.

E. The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.