COVID-19 & Business Closures

In March of 2020, the United States began responding nationally to the widespread COVID-19 virus pandemic. As a result, legal orders were placed across the country shutting down, and effectively devastating, our businesses and the economy. Prior to the pandemic, many of these businesses had purchased insurance policies specifically covering “business interruption”. Business interruption is a type of insurance coverage for businesses that suffer losses resulting from a disaster. These policies can cover lost revenue, employee wages, rent or lease payments, taxes, relocation costs, and loan payments, among other items. Losses may come from disaster-related closures of business facilities, physical damage to businesses, or required cleanup after a disaster.

As the second largest employer in the country, our restaurant industry has endured unsustainable losses. Like you, year after year we paid thousands of dollars in premiums to our insurance companies, expecting them to provide the coverages promised at every renewal. Now that we need them the most, they’re response for assistance under our business interruption coverage is a denial letter. This is simply unacceptable.

Attorney Al Flores
President, Greater Houston Restaurant Association

Insurance Companies & Your Rights

Insurance companies across America are denying businesses their rightful business interruption coverage resulting from COVID-19. In 2018 alone, the insurance industry collected net premiums totaling $1.22 trillion. Their knowledge of the potential economic effects on businesses has been demonstrated (at least) since the SARS discovery and outbreak in 2003 and the Swine flu outbreak in 2009. Therefore, insurance companies have known of the potential effects viruses such as COVID-19 could have on business and the economy.

Most businesses are currently in one of two categories regarding COVID-19 business interruption coverage:

- Business Owners with Business Interruption Policies Who Have Yet to File a Claim.
  Prior to making a claim, we encourage you to consult an attorney to avoid using claim language that may limit your potential recovery or trigger exclusion clauses in your policy. Careful analysis of your policy coverage and exclusion provisions will be key to determining your potential coverage and asserting your legal rights.

- Business Owners with Business Interruption Policies Whose Claims have been Denied.
  Even if your claim has been denied, your claim may have been wrongly denied and you may have a right to coverage. Legal advice and analysis is crucial in determining if your claim was wrongly denied.

What Our Attorneys Can Do For You:

You may be entitled to compensation for insurance coverage you have diligently acquired, but which has been wrongfully denied, or for which you have yet to make a claim. In an effort to fight the unethical business practices of these insurance companies, the following firms have teamed up to assist those businesses affected: Matthews & Associates, Freese & Goss, and The Flores Law Group. Our firms know insurance companies will aggressively defend their position that these claims are not covered based on policy language they drafted. We nevertheless have the resources and creative powers to launch a strong initiative to help American businesses recover their losses. One of our qualified Business Interruption Claims Attorneys can carefully review your insurance policy and your losses, and aggressively pursue viable claims. With 150+ years of combined experience in business insurance claims, our team includes many seasoned trial lawyers who will fight the insurance industry for you.

For more information about the firm visit: www.businessinsurancelaw.com or call 888-520-5202
Insurance Policy Types

There are two major types of insurance policies related to business interruptions:

- **All-Risk Policies:** this type of policy covers the insured from all the possible risks that the business could be exposed to, except those specifically excluded in the policy. Therefore, in the absence of an applicable exclusion, courts in the past have interpreted policies as covering such non-excluded risks. In other words, if it is not expressly excluded, there is a strong argument that these risks are covered by an All-Risk Policy.

- **Named Peril Policies:** this type of policy provides coverage on losses incurred to your property or business from hazards or events that have been specifically named in the policy. In a Named Peril Policy, the burden of proof is on the insured to demonstrate that the risk is covered. Even if you have a Named Peril Policy that does not include, for example, viruses, this does not mean that you are not entitled to coverage.

Questions to Think About

- Did you file a claim with your insurance company for COVID-19 related losses?
- Was your claim denied?
- If yes, what was the stated reason for your claim denial?
- What losses have you incurred as a result of COVID-19 (i.e. physical damage, income loss, etc.)?
- What coverages do you have?

To Get Started We Will Need:

- A copy of your current business insurance policy and declarations page (a certified copy is best)
- Documentation of business interruption claim made or correspondence with the insurance company about your potential claim
- A copy of the claim denial and any communications regarding such denial

We recommend a careful legal review of insurance policies in light of the losses a business has suffered as a result of COVID-19 pandemic business shut-downs, to determine whether the losses are covered under the policy.

The question of whether a business insurance policy will cover the business interruption losses suffered by the business will depend on the specific policy language, especially in the coverage and exclusion clauses. We can help businesses by reviewing policies, analyzing the facts and factors of potential case, determining if we believe the policy provides coverage for business losses and fighting the wrongful denial of a claim.

Contact Us

We are available to walk you through the process, review your potential claim and insurance-related documents, and answer any questions you may have.

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