



Government of the District of Columbia Department of Insurance, Securities and Banking

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Description: DC COVID-19 P&C Insurance News Releases & Bulletins

[BULLETIN 20-IB-3-05/13 TEMPORARY POSTPONEMENT OF PROPERTY AND CASUALTY RATE INCREASES DURING THE PUBLIC HEALTH EMERGENCY](#)

DISB Consumer Information, Updates, and Responses

- [April 21, 2020—Business Interruption Insurance](#)
- [March 24, 2020—FAQ: Insurance Issues Related to COVID-19*](#)

*INSURANCE INFORMATION FOR BUSINESSES

• **If I am told that I need to stay home because I have tested positive for coronavirus (COVID-19), will my disability policy pay a claim?**

No. Your disability policy will only pay if you meet the definition of disability in the policy and have satisfied any elimination period.

• **Is coronavirus (COVID-19) compensable under workers' compensation?**

In most cases, an employee will have to prove that the virus was transmitted or contracted at work or in the course of work. The Department suggests that you reach out to your employer for the latest information about your specific coverage.

• **Does my travel insurance cover risks related to coronavirus (COVID-19) if I get sick while traveling?**

It depends. A travel insurance policy may contain an exception that applies to coronavirus (COVID-19). A policy that covers the risks of sickness, accident, or death incident presumptively would cover such risks relating to COVID-19. The extent of coverage for health care services, including emergency transportation within a foreign country, as well as the costs of returning to the United States for further treatment, may

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depend on the terms of the policy. Sample exclusionary language includes: “No benefits are payable under this Benefit for charges, fees or expenses: for common or endemic or epidemic diseases or global pandemic disease as defined by the World Health Organization...”

Nevertheless, many companies are offering increased flexibility at this time, so be sure to check with your insurance carrier.

- **Does my travel insurance cover cancellation or interruption risks that are related to coronavirus (COVID-19)?**

If you purchased a Trip Cancellation or Trip Interruption policy after January 21 or 22, 2020, it is unlikely that you will be covered if your trip is canceled due to a coronavirus (COVID-19) event—such as a COVID-19 outbreak at your destination, or a quarantine that prevents you from traveling.

- **What about event cancellation insurance?**

Your insurance company probably will not cover costs related to the cancellation of an event due to coronavirus (COVID-19). Sample exclusionary language includes: “No coverage is provided for any loss arising directly or indirectly out of or as a result of the following: Epidemic or Pandemic...”

Again, you should check with your insurance carrier for coverage and policy details.

- **If the District government requires me to close my business related to coronavirus (COVID-19), will I be able to get reimbursed from my insurance company for financial losses?**

Loss of business income and extra expense coverage is subject to the specific terms and condition of your policy. Contact the broker or agent that sold the policy, the insurance company or the Department with any questions.

In early [February 2020](#), the Insurance Services Office, Inc. (ISO) developed two new endorsement forms: “Business Interruption: Limited Coverage for Certain Civil Authority Orders Relating to Coronavirus” and “Business Interruption: Limited Coverage for Certain Civil Authority Orders Relating to Coronavirus (Including Orders Restricting Some Modes of Public Transportation).” These forms provide coverage for actual loss of business income and extra expenses caused by a government order closing the insured’s premises, or quarantining all or part of the premises, and from government suspension of some modes of public transportation.

Note: the endorsements are not yet available for public use.

- **Does my environmental or pollution insurance policy provide coverage if I must use certain products to periodically disinfect my business?**

Environmental insurance products may be designed to include affirmative cleanup, disinfection and decontamination coverage as a result of a “discharge,” “dispersal,” “release” or “escape” of bacteria and/or viruses.

Under pollution policies, disinfection expenses are specifically defined, and coverage is only provided for the properties that are specifically scheduled to an insurance program or location. For pollution liability policies that do not have a specific communicability exclusion, there is typically no coverage; specifically, coverage is not provided for bodily injury or property damage arising from a facility borne illness or exposure to viruses or bacteria.

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- **Will my Business Interruption coverage help if I must close my business because of coronavirus (COVID-19)?**

Likely, business interruption insurance will not provide coverage. Communicable diseases are usually excluded. For a business interruption policy to respond, the following conditions will need to be met:

1. Actual loss of business income
2. Suspension of business operation
3. Direct physical loss or damage at the described premises that is from a covered cause

Business interruption insurance does not provide coverage for a slowdown or reduction in operations.

- **Would a Commercial General Liability, Commercial Package Policy or a Business Owners' Policy provide coverage under the civil authority provision if my operation is shut down by a court, state, or federal order?**

The coverage that may be available would depend on the type of business policy, amendments to the policy, and the language in the policy or amendment. Generally, business property policies provide coverage for losses caused by forced closures by civil authority.

A Commercial General Liability (CGL), Commercial Package Policy (CPP) or a Business Owners' Policy (BOP) typically does not offer coverage for transmission of a disease from employee to employee. However, an employee to patron transmission may provide some coverage under the policy's liability section.

Loss of income or extra expense provisions are typically not triggered unless there is actual damage or physical loss (other than at the described premises) and caused by, or resulting from, a covered cause of loss.

- **What if I can't export or import my goods due to a trade embargo, quarantine, partial or total closure of ports and transportation centers, or seizure of my products? Am I covered under my business operation policy (BOP)?**

A standard BOP policy may provide limited protection for some of these perils. A "trade disruption" policy would provide relief for consequential losses of revenue, extra expenses and contractual penalties that may be assessed as a result of delays or disruptions in trade flows due to the listed perils.

- **How can insurance protect my business operation from exposures to viruses and diseases?**

Viruses and other communicable diseases are typically not an insured peril unless added by endorsement. Insurance markets have restricted coverage for endemic, epidemic, and pandemic diseases, including coronavirus (COVID-19), through exclusions and sublimated coverage.

You should consult your agent to determine if there is any coverage available in your current policy or if there are endorsement(s) that you can attach to protect your business in the future.

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