

Courts Find Coverage for COVID-19 Business Interruption Losses

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Policyholders are hailing two recent victories in their pursuit of insurance coverage for COVID-related business interruption losses. A North Carolina court granted a policyholder summary judgment that a commercial property insurance policy covers business interruption losses resulting from COVID-related government shutdown orders. Meanwhile, a Florida federal court determined a “virus exclusion” does not preclude a policyholder from pursuing insurance for COVID-related business interruption loss. These decisions reject the insurance industry’s position that COVID-related losses are not covered by insurance.

In *North State Deli, LLC v. Cincinnati Insurance Co.* filed in North Carolina Superior Court, the operators of 16 restaurants brought a declaratory judgment action against their insurer for its refusal to cover losses suffered as a result of the coronavirus pandemic and related government shutdown orders, stay-at-home mandates and travel restrictions.

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