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COVID INSURANCE CLAIMS GUIDE

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COVID Insurance Claims Guide

With COVID-19 spreading in our communities, many states, counties, and cities have issued "shelter in place" or shutdown orders to limit social interactions. Under these orders, most businesses were required to close or curtail their operations (e.g., restaurants limiting operations to takeout or delivery).



While these measures are necessary to halt the spread of the virus, the result for many businesses has been a severe drop in income. Insurance policies will play a key role in helping businesses survive this crisis. Whether a business is covered depends on the precise language of the policy, but insurance providers are ignoring these nuances, choosing instead to issue across-the-board denials of insurance claims, often without conducting any investigation whatsoever.

KNOW YOUR OPTIONS.

This brochure provides information about:

- The kinds of insurance coverage that may be available to business and restaurant owners
- Coverage restrictions and policy variations
- Documentation to gather before filing a claim
- How an attorney may be able to help

FILING A CLAIM

WHERE TO START?

Business owners should take a moment to locate and review their business insurance policies. These policies often include coverage for:

- Physical loss or damage
- Loss of use or access
- Business income and extra expenses
- Business interruption
- Closures or curtailments due to civil authority orders



AM I COVERED?

Coverage depends on the precise language of the business insurance policy. For example, a policy that covers risk of "direct physical loss or damage" may be interpreted differently than a policy that omits the word "direct". Alternatively, even if a policy excludes viruses, the virus exclusion may not bar coverage in every circumstance. Whether a given policy provides coverage depends on these nuances, which requires an evaluation of the *entire* policy in full.

DO I NEED AN ATTORNEY?

Because of the complexity of business insurance policies, business and restaurant owners should consult with an attorney, ideally before beginning the claims process. The attorney can review the policy and advise with respect to coverage, exclusions, and claim submission requirements.

Consulting an attorney before filing your claim can ensure that you have the best chance at recovering under your insurance policy. An attorney can help:

- Provide a free assessment of your business insurance policy
- Identify and explain available coverage, policy restrictions, and exclusions
- Clarify complexities in your state's insurance code and other relevant laws
- Insist insurance adjusters review claims in a timely manner
- Help protect your ability to recover if litigation becomes necessary

FILING A CLAIM

WHAT DOCUMENTS DO I NEED TO FILE A CLAIM?

Business owners should have their entire policy "stack" reviewed by an attorney. The easiest way to ensure you have the complete policy is to ask your broker. If you have already filed a claim, you should also have an attorney review any claims-related paperwork.

Insurance providers are streamlining the claims process due to the high volume of claims. Business owners should nevertheless begin gathering relevant information, including loss accounting. This includes:

- Evidence of direct COVID-19 contamination at the insured premises
- Records pertaining to any employee, customer or other individual with access to the premises who has tested positive for COVID-19
- Proof of lost revenues
- Costs incurred specifically due to COVID-19 (cleaning costs, videoconferencing software, etc.)
- Costs of ongoing obligations that cannot be avoided (rent, utilities, taxes, etc.)
- Changes in hours and days of operation
- Any physical alterations to the premises (posting no-entry signs, taping off certain areas, etc.)

WHAT ARE POLICY ENDORSEMENTS?

Insurance policies often have endorsements attached to them. Endorsements change the scope of the original policy, usually by adding, deleting, excluding, or altering the coverage. Endorsements are also often called riders.

For business and restaurant owners who are considering filing a lost business income claim, one of the most important policy endorsements to look for is a Civil Authority Endorsement. The exact terms of such an endorsement vary, but generally these policy provisions provide compensation for lost business income when certain conditions are met. Additionally, different policies may have caps or temporal limitations on the amount of lost income that can be recovered.

RESOURCES

AT PAYNTER LAW, WE'RE HERE TO HELP.

Paynter Law is helping businesses of any size evaluate their insurance policies to determine if they have a viable business interruption claim due to coronavirus-related closures or curtailments. If you are a business or restaurant owner and are considering filing a business interruption insurance claim, have already filed a claim, or have had a claim denied, we are happy to help.



At Paynter Law, we provide a **FREE POLICY ASSESSMENT**. After reviewing the insurance policy, we can help determine whether and how best to work together to file a claim, and if denied, whether to pursue further action. We operate on a contingency fee basis which means you owe Paynter Law nothing unless your claim is successful and the insurer pays. This model helps businesses conserve resources during this uncertain time, while ensuring that we can cover the costs of helping you.

Referrals. If you are an attorney, we would be happy to talk with you about co-counsel, local counsel, or referral fee arrangements.

Other Resources

- **Paycheck Protection Program:** <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program>
- **Local Chambers of Commerce**
- **CDC Advice for Businesses:** <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/businesses-employers.html>
- **US Chamber of Commerce:** <https://www.uschamber.com/coronavirus>

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ABOUT US

Small Firm. National Experience.

Paynter Law was founded over ten years ago in Washington, D.C. by Stuart Paynter. The firm found nearly immediate success and national recognition, and additional offices were opened in North Carolina within only a few years. Paynter Law provides the kind of accessible, personalized legal services often found with smaller firms, along with the diverse, in-depth, and high-level experience and knowledge of a national firm.

\$500M+

In Verdicts & Settlements

No Legal Fees

Until You Win

75+ Years

Combined Experience

Paynter Law was founded in response to an identified need for quality, dedicated representation for individuals, consumers, and small businesses. Our attorneys possess top-notch legal training, a diverse skill set, essential litigation experience, and are licensed in states across the U.S., including North Carolina, California, New York, the District of Columbia, New Mexico, and Tennessee.



They were able to answer our questions, made us feel they had our best interest as their goal, and kept us informed as to the status of our case.

- Don & Peggy



I've always been very impressed with this firm and would recommend these attorneys to anyone in need.

- Geoffrey Pecover

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PAYNTER LAW

RALEIGH, NC

410 N. Boylan Avenue
Suite 100
Raleigh, NC 27603

Toll-Free: (844) 472-9683
Local: (919) 245-3116
Fax: (866) 734-0622

HILLSBOROUGH, NC

106 S. Churton Street
Suite 200
Hillsborough, NC 27278

Toll-Free: (844) 472-9683
Local: (919) 245-3116
Fax: (866) 734-0622

WASHINGTON, DC

1200 G Street NW
Suite 800
Washington, DC 20005

Toll-Free: (844) 472-9683
Local: (202) 626-4486
Fax: (866) 734-0622