**Coronavirus and Small Business Insurance**

Earlier this year, as the coronavirus pandemic first began peaking in the United States, Washington’s Insurance Commissioner, Mike Kriedler, polled Washington state insurers to get a thorough picture of business interruption insurance. He found that only two insurers offer coverage for a pandemic event through their base policy. An additional 15 offered limited coverage through endorsements to standard policies. Unfortunately, the vast majority specifically exclude coverage for economic loss due to a viral pandemic.

Even so, if you carry a business interruption insurance policy, it may be worth reviewing that policy to see exactly what coverage you have. If you do not have a copy of your policy, ask your insurance agent or the insurance company to send you the full policy, including all applicable endorsements and declarations. If you’re not sure what kind of insurance you have, ask for copies of any and all policies so that you can review them. Insurance policies can be difficult to read and decipher, so you may want to consult an attorney who practices in insurance law to review it for you. Be sure that whoever you consult is not someone who works for the insurance company. You want to be sure that the person who reviews your policy can give you an unbiased assessment of your coverage.

Business policies can vary depending on what’s included in your coverage. While it is unlikely your policy specifically protects against the coronavirus (or viral pandemics in general), other clauses in the policy may be of aid (assuming the policy does not specifically exclude losses due to viral pandemics). For example, there is a clause in many business policies called “Civil Authority,” which addresses the situation when government prohibits access to your business. If your policy requires a “covered cause of loss” to be the reason why the civil authority restricted access to your business, your insurance company would need to determine if the coronavirus outbreak is a covered cause of loss. Some business policies do not have this requirement. Again, a careful reading of your policy is necessary.

If you do end up filing a claim with your insurance company, be aware that they must conduct a reasonable investigation of your claim. And if they deny your claim, they must inform you of the specific language in the policy that denies coverage.

These continue to be difficult times for small business owners, and it’s important that we search for any solutions that we can. If you’ve purchased insurance, now would be a good time to review your policies for potential coverage if you haven’t already.