

# Insurance Considerations





## It Depends

**Each applicable policy of insurance must be reviewed to determine the extent, if any, of coverage for COVID-19.**

**Coverage may vary depending on the jurisdiction and circumstances.**

**Every potential claim will be evaluated individually subject to the facts, circumstances and the applicable policy details**





## Liability Insurance

Resident care and other third party claims

**Liability policies generally provide coverage for negligence that results in bodily injury and property damage to residents, visitors and others who reside at or access the community**

**These claims typically would develop from allegations that the community failed to act properly - failed to recognize, failed to warn, respond timely or make all reasonable efforts to mitigate and contain the infectious outbreak and/or its spread.**

**The coverage response will be determined by individual policy details and the claim's allegations. For example certain policies have exclusions for communicable diseases, organic compounds, microbials, fungi, etc.. which for some claims could result in a disclaimer for COVID19 related claims.**



# Workers Compensation

## Employee claims

**Traditionally to be covered under Workers Compensation the injury must be determined to arise out of the employment.**

**This could be difficult to establish in the event of a widespread COVID19 outbreak in a region where the community is located. State specific WC regulations will also come into play.**

**Care givers and employees who are found to have direct exposures at work different from the general public, will have the most compelling claims for WC benefits.**

**Traveling employees who enter areas with high infection rates are also likely to get more consideration.**



# Property Insurance

Physical damage vs business interruption

**Most commonly property policies cover physical damage to insured property from a covered peril (all risks policy)**

**Without physical damage from a covered peril, COVID 19 driven income loss associated with declining revenue due to changes in customer purchasing patterns or reduced demand for residencies and services, generally does NOT trigger the property policy.**

**However a close review of the entire policy should be taken as some policies have sub-limited coverage available for conditions like disease, contamination, crime scene residuals.**

**In addition some of these conditions require a regulatory authority or government order restricting or limiting access to the property.**



# Disclaimer

*Each applicable policy of insurance must be reviewed to determine the extent, if any, of coverage for COVID-19. Coverage may vary depending on the jurisdiction and circumstances. For global client programs it is critical to consider all local operations and how policies may or may not include COVID-19 coverage.*

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