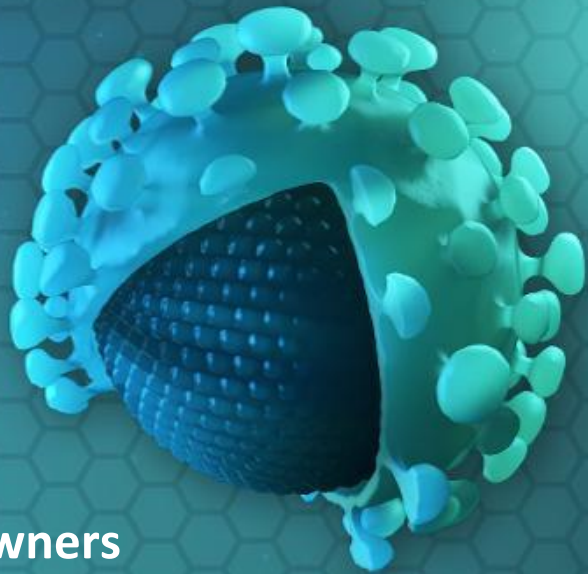


# CORONA VIRUS COVID-19



## Coverage Guide for Business Owners

### **The government has shut my business down due to the Coronavirus pandemic. Is my loss of income covered under my commercial property insurance policy?**

No, losses from the virus pandemic are not covered. Business interruption coverage is designed to work hand-in-hand with the property coverages within the policy. If you have a covered direct physical loss such as a fire or wind damage, which forces your business to close then business interruption coverage would step in. The coverage is not meant, nor is it priced, to cover every possible reason why a business may need to close.

In the case of a pandemic, there is no physical damage to property so coverage would not be triggered. Also, this particular type of loss is explicitly excluded under most policies, including ours.

### **Why don't you cover pandemics? Don't you make money by insuring things?**

Insurance is based on the law of large numbers and the ability to predict and spread risk. When a particular risk is virtually unpredictable or so widespread that everyone in the insured group is exposed to it largely at the same time, that risk is typically considered uninsurable.

In the case of a pandemic, both of these are true. It is difficult, if not impossible, to accurately predict when a pandemic will occur, how often one will occur, how many people might be effected, how politicians might react or what the ultimate cost might be. This is why we explicitly exclude coverage for anything relating to viruses and other pathogens in all of our policies. If we did not, it is doubtful we would be able to continue to sell commercial insurance products and, even if we could, the cost would be unaffordable for most of our customers.

These types of unquantifiable and unpredictable perils are exactly the type that the Federal Emergency Management Agency (FEMA) and other related federal and state agencies were designed to address.

We know many of our Policyholders are hurting and we are keenly aware of the impact the government shutdown is having on our economy. We are feeling it, too as our new and renewal business has already begun to decline – losses for which we are not insured either. Yet, our dedicated employees continue to work hard to serve our Policyholders while we do our very best to protect their health and well-being. Rest assured, if you have a covered loss, we stand ready to fulfil our promise to you as we have done since 1856.

We wish all our Agents, Policyholders and other members of our community the best during this crisis and we hope it ends as quickly as possible. Stay Well.