



Business Interruption Insurance Coverage and the Coronavirus (COVID-19)

Businesses generally purchase insurance to protect themselves from potential losses. Business interruption or business income insurance coverage are examples of those types of insurance coverage and are usually offered as a supplement to a businessowner's property insurance policy to recover financial losses that may result from an interruption or cessation of the business' operations. Extra Expense and Civil Authority coverage(s) are additional coverages that may be purchased as a part of business owner's business interruption or business income coverage.

Extra Expense Coverage

Extra expense coverage is complementary to business interruption insurance coverage. It is designed to compensate the business owner for those necessary extra expenses to operate while the business is being repaired to enable the insured to minimize suspension or interruption of the business' operations.

Civil Authority Coverage

This coverage is also additional coverage under a businessowner policy. It covers situations where the business has not been damaged but has been ordered to shut down by civil authorities.

With the outbreak of the Coronavirus, some business owners may be wondering whether their insurance policies cover losses resulting from a business shut down or other losses related to the Coronavirus. Typically, coverage for losses occurring as a result of a pandemic, epidemic or other infectious or communicable diseases are excluded under the standard business owner's policy. To be covered against a business loss resulting from an infectious or communicable disease, a business owner would have to buy that additional coverage. Such coverage may generally be purchased separately via a policy endorsement.

Please contact your insurance agent or insurance company directly to find out if you already have this additional coverage. If you don't have this coverage and would like to buy it, contact your insurance agent or company to see if it's available. If you didn't buy the added endorsement prior to the outbreak and you want to buy it now, it may be not be available. The South Carolina Department of Insurance does not have the authority to require insurers to sell this type of coverage or policy endorsements to consumers.

