Insurance information

Continued spread of the novel coronavirus around the world is a significant concern. There is information already on the Insurance Board website under ‘Safety Central’, which I suggest you review. A lot of advice is out there, but we are trying to narrow it down to what is most helpful for churches. Understanding that, here is some Q & A type information that can be shared about coverage-related coronavirus issues:

**Property Insurance**

Is a business income loss covered if it results from coronavirus? Our package includes a $25,000 business income extension for “communicable disease” and “food contamination” (automatic coverage for all participants with Property coverage). Please review your policy closely paying special emphasis on Key points: (1) In order to trigger coverage, there must be a complete business shutdown of the operations resulting from an outbreak at an insured premises, and requires an order from any local, state or federal Department of Health; (2) some items are limited to $5,000; (3) the “period of restoration” begins 72 hours after shutdown. Otherwise, a decrease in attendance at a camp, for example, does not trigger this coverage unless there is an outbreak, government order, and complete shutdown.

In addition, there is a Property coverage extension for Event Cancellation Expense Reimbursement (see policy wording attached) for an event that an employee or volunteer was scheduled to attend. The standard deductible applies and there is a $25,000 sublimit.

**General Liability & Professional Liability**

Liability coverage determinations are dependent on the allegation(s) and causation. In general, we believe the standard defense and indemnity coverage should apply to most potential coronavirus allegations against churches. As always, each claim will be evaluated individually when making a coverage determination.

**Workers Compensation**

Traditionally, to be covered under a workers compensation insurance policy, it must be determined that the injury to the employee arose out of the course of employment, which may be difficult to establish in the event of a virus outbreak. Employees traveling on business into infected areas or those stationed permanently or semi-permanently in high-risk areas would be the most likely to make convincing cases. Churches may find themselves in a situation where some employees can work from home, but others are needed on-site. If quarantining becomes commonplace, do employees still commuting to work fall into the category of workers traveling into infected areas? Medical and lost-time claims
arising from employees going to work in such conditions may more likely be compensable under a workers compensation program.