

Survive and Advance

Update On Claims Guidance – What To Do

4.21.2020

Most carriers are denying Business Interruption (BI) claims and there have been multiple lawsuits against carriers challenging the carriers declinations throughout the United States. In addition, regulators and Congress are working on possible BI funding solutions in conjunction with the Property & Casualty carriers. We will track these developments as they progress. Please see our suggestions below on reporting claims due to Coronavirus/COVID-19.

As an agency, we do not have any carriers authority to deny or accept any claims, yet we can provide guidance and client advocacy. Below are some tips for answering your questions on coverage and the claim process.

- No carrier will answer coverage questions based on “what if’s” or hypotheticals. They will only respond to an actual claim reported. So, we suggest if you have a definable loss, you should do a formal claim to the carrier.
- Since this virus and its effects are so hard to define at this time, we suggest not getting into assumed details on causes of loss and, instead, just state “due to Coronavirus” if the cause of your claim is presumed to be because of the virus.
- Since these virus related losses could apply to multiple lines of insurance including Property, General Liability, Umbrella, Workers Compensation - Part 1 and Part 2, Directors & Offices, Errors & Omissions, Environmental, and others, we suggest you put the claim in against any lines of coverage that may apply to your definable loss.
- We suggest you report any claim directly to the carrier as this is a more formal documentation and reduces redundancy, thereby increasing the efficiency of claim processing. This link [HERE](#) will take you to claims contacts by carrier. Please contact us if you need further guidance on the process or if your carrier is not listed.

- Please recognize the volume and complexity of claims is such that we do not expect any claim to be an easy or smooth process.
- Please review any contracts you have with vendors or clients to see if there is any possible remedy within the terms of those agreements.
- We suggest you keep records of any losses you have in revenue and track any extra expenses incurred. This is important not only for the potential discussion with carriers who would require proof of loss and also because we do not know how the state or feds will step in to help and you may need to define your losses. Below are two documents to help guide you in your record keeping.
 1. Click [HERE](#) for Quantum Global's Four Essential Steps to Formulating COVID-19 Business Interruption Losses
 2. Click [HERE](#) for Quantum Global's Preparing for a Potential Business Interruption Loss Claim/Recovery

In our purpose of Helping Others, we are here to help your business survive during these difficult times and advance out the other side stronger. More information on Coronavirus/ COVID-19 can be found [HERE](#) on our Smith Brothers Survive and Advance page. If you have any questions or would like to discuss this information further, please contact your Smith Brothers risk advisor.