



COVID-19 CLAIMS GUIDELINES

Eastern Insurance Group LLC understands the challenges you are facing right now as this pandemic poses so many uncertainties and impacts us all in different ways. The recent mandated government shutdown has generated significant challenges for our customers now dealing with business loss. As it is anticipated there will be claims generated among a wide variety of commercial insurance policies, we want to assure you we are here for you as you evaluate the impact to your organization. We have developed this guide to help breakdown some of the coverage/claim questions you may have.

Workers Compensation

- **What is covered and what isn't.** Workers compensation related claims will have to be addressed on an individual basis to determine compensability, especially concerning communicable disease. The statute indicates that exposure must be inherent in the individual's employment- such as a health care worker. For example, there is a reported claim in for a nurse that ended up being denied when it was discovered that the virus was contracted while the nurse was on vacation. There is no claim until there is an actual diagnosis however- a quarantine due to exposure, does not constitute a disability, which is a frequent question insurers receive. We do recommend all such claims be reported directly to the carrier for their individual compensability determination.

Commercial Property Business Interruption

- **What is covered and what isn't.** At this point there is no definitive answer. Before Business Income responds there must be damage to property leading to cessation of business. This requirement applies to business income dependent property losses (supply chain) and civil authority losses covered by business income policies. Additionally, most property policies include an exclusion for losses due to "Virus and Bacteria".

The frequent question: "Is there business income coverage if governmental authority (civil authority) requires businesses to close?", the general answer is no, however, insurance companies are reviewing each case based on their unique characteristics. There is potential legislation being considered that could address this specific position. If legislation passes to assist business on excluded claims, they may require a "declination of coverage letter" from the carrier.

- **Initial documentation that may be expected from you if a claim is covered/partially covered by insurance, or through Government directive:**
 - Monthly profit and loss statements- current, and previous year same period
 - Monthly daily production reports
 - Monthly inventory
 - Monthly cost accounting reports
 - Invoices and purchase orders

General Liability

- **What are potential exposures.** There are General liability exposures in the form of failing to protect a customer, resident or business invitee from exposure to COVID-19. The General Liability, Package or Business Owners policy and endorsements needs to be reviewed individually for potential coverage exclusions (Bacteria, Pollution) as well as extensions and limitations for coverage application. All such claims should be reported to the agency claims department.

Management Liability: EPLI/D&O

- **What are potential exposures.** Businesses face potential exposure to claims based on executive decisions during and after the COVID-19 crisis. Not providing a "safe" environment for essential employees during the crisis who obtain the virus, and potential discrimination claims for those who may be chosen to return to work after the crisis over other employees, are examples of Employment Practices Liability claim exposures. All such claims should be reported to the agency claims department. Director & Officers (D&O) coverage exposures could include use/misuse of Federal funds allotted by the government to assist during the recovery of the pandemic by shareholders. All such claims should be reported through the agency claims department.

Claim Reporting Process

Commercial losses can be reported directly to your insurance carrier ([please click here to find your carrier on our website](#)) or through Eastern Insurance Group's Commercial Claims Department:

233 West Central Street
Natick, MA 01760

1.866.510.1112
Commercial_Claims_DL@easterninsurance.com