

Triple-I Offers Insights into Business Interruption Insurance Coverage

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NEW YORK, April 14, 2020—The [Insurance Information Institute](#) (Triple-I) released today a [Fact Sheet](#) on Understanding Business Interruption Insurance and Pandemics.

“Business interruption policies generally require the losses to be caused by direct physical damage to the business’s property. For this reason, the deadly tornadoes the U.S. incurred this week will likely generate many covered business interruption claims,” said Sean Kevelighan, CEO, Triple-I.

“In these challenging times, it is important to look forward toward government-backed solutions to help businesses withstand and eventually reopen. COVID-19 is now impacting every state in the Union at the same time, and only the government has the financial wherewithal to provide assistance. Any attempts to look back at requiring an insurer to pay for losses it never insured would cause irreparable harm to the industry. Insurers are ready to help customers recover from the covered catastrophes that are also happening right now, and yet to come. An [above-normal hurricane season](#) has been forecast, and on the heels of that will be wildfire season,” Kevelighan stated.

The Triple-I’s Fact Sheet hits on four key points:

- Global pandemic risks are uninsurable by private insurers, and only the federal government has the financial resources to cover them
- Standard business interruption policies clearly list ‘virus and bacteria’ exclusions
- Retroactive business interruption policy payouts would bankrupt insurers, costing the industry nationwide at least \$250 billion a month
- Insurer financial stability is needed so that the industry can pay its covered claims, such as those caused by tornadoes, hurricanes, and wildfires

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