

A yellow right-angled triangle pointing towards the top-left corner.

BLOGS

COVID-19 Business Interruption

Excuse the Interruption

All eyes are on the New Jersey Supreme Court as we await oral arguments on the latest business interruption coverage dispute. In the lawsuit, an Atlantic City casino, Ocean Walk, seeks reimbursement for costs incurred during the pandemic shutdown from several insurance companies. The insurance companies denied coverage and moved to dismiss the insured's lawsuit. The trial judge denied the motion to dismiss, finding that Ocean Walk had made a sufficient showing of coverage in its pleadings.

The Appellate Division reversed, finding that the contamination exclusion provision in the policy encompassed Covid-19.

The issues before the New Jersey Supreme Court will be:

1. whether the presence of Covid-19 or state orders shutting down casinos caused a direct physical loss or damage to the property, and
2. whether policy language excluding contamination applies.

The Supreme Court's decision in New Jersey is sure to influence similar business interruption disputes pending across the nation, some of which have stayed proceedings until after the Ocean Walk ruling.