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BLOGS

Business Interruption;Policyholder

For Businesses Seeking Relief after the Mass Protests: Promptly Notify Your Insurance Carrier

Mass protests have erupted across the United States – from Los Angeles to New York. Though many of these protests are peaceful and benign, some have led to significant property loss by arson and vandalism, as well as theft, in addition to business interruption damages due to necessary closure of impacted stores and offices. Businesses of all sizes are left wondering whether and how they can recover from these events. First on the list should be to review all potential insurance coverage and promptly submit claims to relevant insurance carriers.

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Immediate Steps. Insurance policies typically require that insureds notify their carriers as soon as reasonably or practicably possible about a claim for coverage. If insureds do not promptly provide notice, then hurdles may arise with their claims and some insurance carriers may even argue that they are not entitled to coverage.

For a business owner who suffered any sort of loss arising out of the mass protests, below is a checklist of tasks that you should immediately complete and then promptly submit notice of your claim to your insurance carrier(s):

- Locate and review every insurance policy you have that may provide coverage related to property damage, theft, bodily injury, and loss of business income. If you do not have a copy on hand, contact your insurance agent or broker.
- Locate all documents showing purchase of your merchandise or goods (credit card statements, inventory reports, receipts, purchase orders, etc.).
- Conduct a review of any merchandise or goods stolen during the mass protests and document your findings.
- Track and document business income you potentially lose in light of closure due to damage to your facility and/or due to necessary closure by governmental authority.
- Locate and retain financial documents from previous years to show your anticipated business income during the same time period had the loss not occurred.
- Take and retain pictures or video of all the property damage to your storefront, equipment, goods, and merchandise.
- Interview any of your employees who may have been present when the damage occurred and take notes on what they saw.
- If any of your employees or others were injured at your property, determine the nature and extent of their injuries if you can, and follow the laws on reporting work-related injuries for employees.



- Contact the police and file a report on the extent of your business' sustained property damage, stolen merchandise and goods, and if any bodily injury occurred on site.

Documentation is critical. Make every effort to ensure that your documents, recordings, notes, etc. are saved in a secured location. Eventually, your insurance carrier will ask that you submit a Sworn Proof of Loss. As part of that process, the insurance carrier will ask that you submit any documentation supporting your request for coverage. In following the checklist above, you will best position yourself to comply with your insurance carrier's demands.

Closely Review the Policy Language. Do not assume your insurance policy does or does not provide coverage without seeking the advice of skilled insurance counsel.

There are highly technical details within every insurance policy. During these tumultuous times, it is often critical to have a strong command of the terms of your insurance policies and your coverage rights.

Lathrop GPM's Insurance Recovery practice has extensive experience assisting clients with insurance-coverage matters. For more information, please contact Kim Winter or Hahn Pham to discuss this alert, or any coverage-related questions you may have.