

COVID-19 Claim Denial Memo

COVID-19 – Claim Memo

Dear Client;

We know that so many of you have already received a call or a letter from your insurance company denying claims related to COVID-19. The reason why you have received such a quick response is two-fold: 1. When insurance companies know that a policy restricts coverage they want to communicate that information as soon as possible, and 2. Jurisdictions have requested that carriers provide responses to claims in a timely manner (in NY – carriers were required to provide a written response to NY DFS by yesterday).

So now what?

We think it is important that you understand your possible insurance remedies. Following is a summary of the possible next steps:

- Appeal or File Complaint. You may appeal your claim via the internal appeals process at the insurance company or you can appeal to the state insurance department. If you would like to appeal through the insurance company, please let us know, we can initiate the process for you. If you would like to file a complaint to the state insurance department, you may do so at <https://dfs.ny.gov/complaint>. *EB Cohen commentary: there is nothing about the claim denials that appears inaccurate at this time. Having a claim on record, even if closed, preserves your right to a claim if the facts change or litigation allows for another coverage position.*
- Provide supplemental information or facts regarding why your claim should be covered. Claim decisions are based upon the facts presented along with the insurance policy contract language. *EB Cohen commentary: We are not currently aware of any supplemental information that could be added to a claim at this time, we are monitoring for any claims developments.*

- Wait for further information about whether the litigation of others will be successful. There is so much research at this time going into policy analysis by so many attorneys. Litigation has already begun. ***EB Cohen commentary:*** *Evaluating whether others are successful in their legal arguments may be far more cost effective than hiring your own counsel to research the same basic issues that many qualified attorneys are already researching.*
- Retain coverage counsel to review your policy and legal options. Knowing that each policy is slightly different, an attorney that specializes in insurance coverage may be the best advocate for your claim. ***EB Cohen commentary:*** *We have spoken to numerous coverage attorneys that we have relationships with. While there appears to be general consensus on the lack of coverage under most policies, some attorneys are taking on new clients to review. If any EB Cohen would like to engage with an insurance coverage attorney, and would like a referral, we would be happy to refer you to qualified attorney.*

Also, we are committed to monitoring not only claims updates and developments, but also we are monitoring for legislative or governmental initiatives that may be underway to help businesses. While the Government has in the past reacted to natural disasters and terrorist attacks these have all been regional in character. Yet the Government has created vehicles to respond financially to the ensuing losses. National Flood program is one program and TRIA for Terrorist attacks is another. The current pandemic is the first that is Nationwide/Worldwide, and Washington is grappling to figure out a solution to this and possible others. We remain ready to help you in any way that we can and we are confident that we can get through this together.

Sincerely,
EB Cohen



Neil A. Owens, CIC, Esq. | Senior Vice President

ELIAS B. COHEN & ASSOCIATES

E.B. COHEN & CO., INC.

E.B. COHEN & ASSOCIATES ASSURANCE AGENCY, LLC

101 EISENHOWER PARKWAY, ROSELAND, NEW JERSEY 07068 ■ (973) 403-9500 FAX (973) 403-7755

INSURANCE AGENTS ■ BROKERS ■ CONSULTANTS