CHURCH INSURANCE BOARD RE: CORONAVIRUS LOSSES

In response to the Coronavirus outbreak, we have added resources on our website for the Insurance Board under Safety Central: https://www.insuranceboard.org/safety-resources/

A one page tip sheet has been created for churches which is attached; it has a few live links (everything in blue takes you to a site including an interactive map of where the virus is). We understand that Coronavirus is an evolving and developing topic, so we will be making updates to our resources including the tip sheet. The last update to the attached version was 3/17/2020. Please check Safety Central on our website for the most up to date information.

Below is a link to CDC’s resources relative to the Coronavirus (COVID-19) response for the Faith Based Organizations.


Regarding policy coverage, here is a summary of coverage for our program as it relates to possible lines of coverage that may be impacted by the Coronavirus outbreak.

**Property Insurance**

Is a business income loss covered if it results from coronavirus? Our package includes a $25,000 business income extension for “communicable disease” and “food contamination” (form attached; automatic coverage for all participants with Property coverage). Please review the language closely. Key points: (1) In order to trigger coverage, there must be a complete business shutdown of the insured’s operations resulting from an outbreak at an insured premises, and requires an order from any local, state or federal Department of Health; (2) some items are limited to $5,000; (3) the “period of restoration” begins 72 hours after shutdown. Otherwise, a decrease in attendance at a camp, for example, does not trigger this coverage unless there is an outbreak, government order, and complete shutdown.

In addition, there is a Property coverage extension for **Event Cancellation Expense Reimbursement** (policy language attached). In summary, it reimburses unrefunded
expenses associated with the cancellation of an event that an employee or volunteer was scheduled to attend. The standard deductible applies and there is a $25,000 sublimit.

**General Liability & Professional Liability**
Liability coverage determinations are dependent on the allegation(s) and causation. In general, we believe the standard defense and indemnity coverage should apply to most potential coronavirus allegations against churches. As always, each claim will be evaluated individually when making a coverage determination.

**Workers Compensation (optional coverage)**
Our partner carrier for Work Comp is the Hartford. Traditionally, to be covered under a workers compensation insurance policy, it must be determined that the injury to the employee arose out of the course of employment, which may be difficult to establish in the event of a virus outbreak. Employees traveling on business into infected areas or those stationed permanently or semi-permanently in high-risk areas would be the most likely to make convincing cases. Churches may find themselves in a situation where some employees can work from home, but others are needed on-site. If quarantining becomes commonplace, do employees still commuting to work fall into the category of workers traveling into infected areas? Medical and lost-time claims arising from employees going to work in such conditions may more likely be compensable under a workers compensation program.

**Travel Accident Insurance (optional coverage)**
Our partner carrier for Travel Accident is Chubb Insurance. They have advised us that coronavirus would be treated like any other illness or injury. If any covered person on a trip needs assistance, they should first call the assistance provider who will arrange all necessary care, treatment, evacuation, etc. All other policy conditions and exclusions apply.

*DISCLAIMER:* This communication, along with any attachment, does not amend, extend or alter the coverage terms, exclusions and conditions of insurance policies referenced herein. Policy language is controlling and supersedes. Guidance provided by the Insurance Board does not constitute legal advice; please seek the advice of an attorney if you wish to obtain legal advice.
Please let me know if you have additional questions or concerns.

Best Regards,

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