Claims Handling | Our Position on Covid-19

Effective 3/20/20

As COVID-19 is a case of first impression, there is currently no precedent or any other directive from our jurisdictions/states that would suggest Builders Mutual’s treatment of claims with COVID-19 would be evaluated under any special or set of rules. However, this is an ever-changing situation, which means it is possible that local, state or even federal government could issue a regulation or order changing how Builders Mutual should handle COVID-19 claims. Therefore, it is important that policyholders report work-related incidents involving COVID-19 through the normal claims process so that they are in the best possible position to qualify for policy benefits should coverage become available in the future. Currently our position on COVID-19 is as follows:

WORKERS’ COMPENSATION
Applicability of coverage depends on how each state treats communicable & industrial disease. While we have seen some blanket statements regarding COVID-19 coverage for healthcare workers and first responders, at this point, there is no precedent in the states that Builders Mutual operates that would indicate that employees of our typical construction industry policyholders would be covered for a COVID-19 illnesses. Simple exposure while at work would generally not satisfy the compensability test as it would be difficult to show that the illness is peculiar to the employment or that the employee is at a greater risk than the general public. Still, when asked, we would advise our policyholders to report any claim they feel is related to employment and we will investigate the matter accordingly.

PROPERTY
Property Insurance requires physical loss or damage caused by an insured peril to trigger coverage for Business Interruption. Diseases and Viruses are typically not considered an insured peril and do not cause property damage, therefore the lack of prospered damage and an insured peril would likely result in no coverage for business interruption. If a policyholder believes they have a unique circumstance and coverage may apply, we encourage them to file a claims and we will investigate the matter accordingly.

GENERAL LIABILITY
The General Liability policy is invoked when there is a third-party claim against an insured arising out of the insured’s alleged negligence. If a claim or lawsuit is brought against an insured alleging the insured negligently caused the spread of the disease, the commercial general liability policy may respond. However, endorsement, case law, and jurisdiction could result in different interpretations by state. If there has been any allegation of negligence against our policyholders related to the transmission of COVID-19, we strongly recommend that a claim be filed immediately for investigation.