

Are Insurance Brokers the Next Target for Claims Arising From the Pandemic?

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Since the pandemic struck last March, policyholders have sued insurance carriers nearly 2,000 times alleging their policies covered business losses due to COVID-19 and the related civil authority orders. These claims have primarily focused on business-interruption coverage with policyholders seeking reimbursement for lost income due to pandemic-related mandatory closures orders. COVID-19-related claims have also arisen under event cancellation, directors and officer's liability and general liability policies. Other types of claims may also be around the corner.

While some policyholders have sued their brokers for COVID-19-related coverage gaps, our research suggests there have been few cases.

If courts continue to find—as they have in most cases—that industry-standard property policies do not cover COVID-19-related losses, policyholders might turn to their brokers and argue for liability flowing from the broker-client relationship. Clients might contend that additional endorsements or coverage forms should have been offered.

Michael Kassak, Christopher Leise and Marc Penchansky discuss COVID-19-related lawsuits against brokers and insurance brokers' potential liability for business-interruption claims and cyber claims in their recent article in *The Legal Intelligencer*, "Are Insurance Brokers the Next Target for Claims Arising From the Pandemic?"

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