

NEW YORK CORONAVIRUS – BUSINESS INTERRUPTION AND RELATED COVERAGES ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall apply.

This Notice is in response to a call for special report, pursuant to Section 308 of the New York Insurance Law, with respect to Business Interruption (often referred to as Business Income and/or Extra Expense) and related coverages and the novel Coronavirus (COVID-19) pandemic.

The following provisions of your policy may affect coverage with respect to a Coronavirus. However, actual determination of coverage depends on the relevant facts and circumstances of each claim. Carefully read your entire policy, including the endorsements attached to your policy. If you have any questions, please contact your producer, agent or insurer.

Commercial Output Program Property Coverage Part

The Commercial Output Program Property Coverage Part will provide coverage for direct physical loss or damage to covered property, as specified in the policy, unless the loss is limited or caused by a peril that is excluded.

Commercial Output Program Income Coverage Part

When the Commercial Output Program Income Coverage Part is attached to your policy, depending upon the coverage option you select, the coverage part provides coverage for loss of earnings (net income) and/or rents (rental income less expenses that do not continue) and/or extra expense (expenses you would not have incurred if there had been no direct physical loss or damage to covered property). The coverage is provided during the restoration period when your business is necessarily wholly or partially interrupted by direct physical loss of or damage to property at a covered location or in the open (or in vehicles) within 1,000 feet thereof as a result of a covered peril.

The Commercial Output Program Income Coverage Part contains an Income Coverage Extension for Interruption by Civil Authority. This income extension may extend coverage for earnings and extra expense to include loss while access to a covered location or dependent location is specifically denied by an order of civil authority. For coverage to apply, the order of civil authority must be a result of direct physical loss that occurs other than at the covered location and must be caused by a covered peril. Interruption by Civil Authority coverage may apply subject to the policy provisions of this income extension. This Income Coverage Extension is limited to 30 consecutive days from the date of the order.

The Commercial Output Program Income Coverage Part – Supplemental Income Coverages extends coverage for Dependent Locations. When this supplemental coverage is attached to this policy, it may provide coverage for loss of earnings and/or extra expense during the restoration period when your business is interrupted by direct physical loss or damage caused by a covered peril to a dependent location. Dependent location loss exposures typically arise when an organization would suffer a loss of earnings due to damage that occurs at a location that you do not control such as a supplier that you need to provide materials or services to your organization.

Your loss of earnings, rents, and extra expense coverages if applicable, are subject to a restoration period outlined in your policy. The restoration period starts from the date of a physical loss of or damage to property at a covered location that is caused by a covered peril and ends on the date the property should be rebuilt, repaired, or replaced, or business is resumed at a new location.

If the Waiting Period – Income Coverage endorsement is attached to the policy, the restoration period applies as follows:

- For Earnings and Dependent Locations - Coverage begins after 72 hours (unless otherwise indicated) immediately following the direct physical loss of or damage to property at a covered location. The restoration period ends on the date the property should be rebuilt, repaired or replaced, or the date business is resumed at a new location.
- Coverage for Interruption for Civil Authority - Coverage may extend to your earnings and extra expenses if access to covered locations or a dependent location is specifically denied by order of a civil authority. This order must be a result of a direct physical loss of or damage to property other than at a covered location caused by a covered peril. Per this endorsement, coverage begins 72 hours after the time the order is issued and ends 30 consecutive days and 72 hours from the date of the order (unless otherwise indicated).

IMPORTANT NOTE

For coverage to apply to the coverages listed in the Notice, a loss must result from a Covered Peril that is the direct physical loss or damage to a covered location that is also subject to the terms, conditions, and exclusions of the policy.

Your policy contains a mandatory Virus or Bacteria Exclusion which applies to all coverages, coverage extensions, supplemental coverages, optional coverages, and endorsements provided by the policy. It excludes loss, cost or expense caused by or resulting from any virus, bacterium, or other microorganism that includes or is capable of inducing physical distress, illness, or disease.

All claims must be submitted in accordance to the terms and conditions outlined in your policy.