



Business Interruption and Civil Authority Claim Investigations

COVID-19 PANDEMIC IMPACT

Insurers can expect to see a spike in claims against Business Interruption and Civil Authority Coverages. Although traditional thinking aligns these coverages with property damage or loss, commercial policies can provide direct coverage for viral outbreaks through riders and endorsements or fail to properly exclude coverage based on the actual language used in the policy.

COVID-19 Business Interruption claims will need to be reviewed by both the insurer and the insured for the specific policy language regarding coverage.

A claims strategy that differs from the previous handling of these claims may be needed due to government and state involvement.

POTENTIAL COVID-19 RELATED FRAUD:

Where can CoventBridge aid in these strategies and investigations?

- **Document the terms of the emergency business closure as defined by the individual state – confirm that there was a mandate to close non-essential businesses, the date it went into effect and the date it was removed.**
 - Every state has handled this differently and even areas within the same states have been affected differently due to different definitions of what “essential businesses” are.
 - Confirm there was indeed a business closure.
- **Confirm business authenticity – business is licensed, owned, and was in operation at the time the mandate was issued.**
- **Collect 12-36 months of business P&L statements depending on size and revenue for analysis by a Certified Forensic Accountant.**
 - CoventBridge can work directly with your Forensic Accountant or utilize a business partner of ours.
- **Collect any additional documentation of the alleged loss.**
- **Confirm assets, as necessary.**

Claims Investigative tools CoventBridge can deploy:

- **Preliminary background investigation.**
- **In-person visits to the business operations prior to the first claims meeting to better inform the Claims Adjuster through validating preliminary information and other initial intelligence on the business.**
 - For example, the onsite visit could reveal whether in fact the business exists at a stated location.
 - A field canvass investigation to collect information to prove whether there was an active, operating business prior to the shutdown.
- **Surveillance at locations to verify if any business activity is ongoing but not reported.**
- **Interview employees identified by the Insured business to confirm employment and support expense claim information.**
- **Conduct field work with Insured’s suppliers to validate information presented on financial records and confirm inventory reports.**