

Assistance with Business Interruption or Extra Expense Claims

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An McV Insurance Alert

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On March 15, 2020, Governor Wanda Vázquez issued **Executive Order 2020-023** (the “Order”), to implement the necessary closure of certain government and private sector operations for the purpose of combating the effects of COVID-19 and controlling the risk of infection in Puerto Rico.

As a result of the Order, many businesses in Puerto Rico have had to reduce or discontinue operations, or incur additional expenses to continue to operate.

Business Interruption and Extra Expense coverage is often part of the risk management and insurance programs of many businesses. In Puerto Rico, many admitted insurance carriers provide such coverage. Coverage for actual loss of Business Income due to suspension of business operations is generally available when such loss is caused by direct physical loss of or damage to insured property, caused by or resulting from a covered peril. Coverage is also generally available for loss caused by action of civil authority when such action prohibits access to the insured premises and results from damage to property, other than at the insured premises, caused by or resulting from any covered peril (for example, destruction of access roads due to earthquake or windstorm.)

However, not all policies are alike. Additional coverage may be available through surplus lines markets or via manuscript endorsements.

As always, any analysis of whether insurance coverage is available for a certain claim commences with a thorough review of the insurance policy in question.

Our **Insurance Practice Area** attorneys are currently working remotely, and are accessible by email or through their phones, to provide assistance in reviewing policies and advising as to the steps that may be taken to present a claim for Business Interruption or Extra Expense losses resulting from the Order.

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