

Will COVID-19 Virus Losses Be Covered by Commercial Insurance Policies?

Entertainment Industry Disputes

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Insurance for the Motion Picture and Television Industries



Coverages

Entertainment Package Policies:

Coverage Extensions:

- 1) All Risks of Direct Physical Loss or Damage to Property
- 2) Cast
- 3) Extra Expense
 - a) Civil Authority
 - b) Travel Delay
 - c) Ingress/Egress
 - d) Imminent Peril

Due Diligence

Key Issues

- Do interruptions and shutdowns trigger cast coverage/due diligence because they are reasonable steps to protect cast?
- Does SARS-CoV-2 present an “imminent peril”?
- What is the “loss” or “occurrence”?
- How many coverages apply?
- When does the policy expire?

Key Issues (cont'd)

- Can the insurer add a COVID-19 exclusion after a cast medical examination?
- Are losses suffered after a production recommences caused by something other than COVID-19 new losses or part of the same existing loss because they would have happened but for the delay occasioned by COVID-19?
- Are costs to comply with mandatory COVID-19 safety protocols “extra expense”?



Disruption, Non-Appearance, and Event Cancellation Policies



Coverages

- 1) Performance Disruption
- 2) Event Cancellation
- 3) Non-Appearance
- 4) Theatrical Property
- 5) Loss Reduction

Key Issues

- Do interruptions and shutdowns trigger cast coverage/due diligence because they are reasonable steps to protect cast?
- Do orders in different geographical locations separately trigger coverage?
- Is each engagement or event entitled to separate limits?
- If the loss results in the premature closure of a production, are closing costs included in the calculation of the loss?
- What is the proximate cause of losses?

Key Issues (cont'd)

- Do interruptions and shutdowns trigger the loss reduction provision because they are reasonable steps to protect insured persons?
- How do government grants affect insurance recoveries?
- When does the loss end?
- What is the effect of “due diligence” provisions and the mitigation doctrine?



Commercial Property Policies

Key Issues

- 1) Is there direct physical loss of or damage to property?
- 2) Do governmental health and safety orders trigger civil authority coverage?
- 3) Are policy exclusions applicable?



Thank you.

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