

Thursday, March 26, 2020

TWCARMF Members,

I hope you all are well and safe where you are. We have received a few questions from members on coverage issues related to COVID-19. At the risk of further inundating you with another email on the topic, we thought you might find this information helpful.

**Will the Fund cover any loss of revenue or extra expenses incurred as a result of COVID-19?**

The Fund's standard business interruption (loss of revenue) and extra expense coverages fall under Property Coverage. For business interruption or extra expense coverage to apply, the business interruption or extra expense must emanate from a covered property loss. In other words, there must be covered physical damage to a property that causes the business interruption or extra expense. An obvious example is fire at a building that causes operations to cease at that location. It should also be noted that property losses caused by virus or bacteria are excluded. Thus, interruptions, and thus loss of revenue, or extra expenses due to COVID-19 would not trigger coverage.

The Fund's property coverage includes coverage for communicable disease. Communicable Disease Response covers costs to clean up, remove and dispose of communicable disease at your owned, leased or rented location, plus public relations expenses; and Interruption by a Communicable Disease provides time element coverage while you are shut down and as your operation recovers. There is a \$10,000 per occurrence and annual aggregate limit for this coverage along with a 48-hour qualifying period before coverage would apply. Note that the communicable disease must actually be present at the location as a condition of coverage. Please refer to your property coverage document for the specific coverage language. Due to the specialized nature of this coverage, please contact the Fund for additional information or if access to one of your locations has been restricted due to the presence of a communicable disease.

**If an employee contracts COVID-19, would that be a workers' compensation claim?**

The key is whether the employee clearly contracted COVID-19 as a result of an exposure within the course and scope of their work. As community spread of the virus increases, the likelihood of being able to directly tie the exposure back to a work activity or encounter becomes increasingly difficult. Rather, at some point, they could have been exposed most anywhere. Thus, whether it would be a compensable claim under workers' compensation is highly questionable. Nonetheless, we encourage you to report any incident to the Fund that you think might potentially be a workers' compensation claim.

Please let us know if you have other questions. While we obviously are in uncharted territory, we will do our best to answer any questions you might have. Similarly, if the Fund can be of assistance to you in any way, please do not hesitate to reach out to us.

Contact information for the Fund may be accessed on the TWCARMF website at:  
<https://www.twcarmf.org/about/contact-list/>

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