



**Nationwide<sup>®</sup>**

**Date prepared  
Claim number  
Policy number  
Questions?**

**OUR INSURED:  
OUR CLAIM NUMBER:  
CLAIMANT NAME:**

You have been carbon copied on the attached document.

AMCO Insurance Company  
P.O. Box 182068  
Columbus, OH 43218-2068



Date prepared  
Claim number  
Policy number  
Questions?

### Claim details

Insurer:  
Policyholder:  
Claim number:  
Loss date:

Dear ,

We completed our investigation of this business income loss that occurred on March 16, 2020. We made every effort to provide a fair and thorough evaluation of your policy of insurance and investigation of your loss.

Based on our investigation and review of your policy contract, AMCO Insurance Company's opinion is this loss was caused by conditions related to the COVID-19 event. We must respectfully advise you that your policy number ..... does not provide coverage for this loss.

### About our decision

Our investigation indicates your business located at .....were forced to close the office and work from home by governmental action, due to the recent outbreak of the coronavirus (COVID-19). Because of the partial business closure, your employee's are working from home. Furthermore all the court cases have been continued which has reduced your business income.

We have analyzed available coverages under your Premier Businessowners policy (PB0002 11/14) and offer the following:

Your Premier Businessowners policy provides coverage in the event of direct physical loss or damage to Covered Property at the described premises, caused by or resulting from a Covered Cause of Loss. However, there was no direct physical loss or damage to Covered Property at the described premises ..... resulting in the reduction of business operations.

Coverage for Loss of Business Income is provided as an Additional Coverage under your policy. This additional coverage provides that we will pay for the actual loss of "business income" you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. However, the suspension of

your business operations was not a result of direct physical loss or damage to property at the described premises.

Coverage for Dependent Properties - Business Income is also provided as an Additional Coverage under the Premier Businessowners policy. This Additional Coverage provides that we will pay for the actual loss of "business income" you sustain due to the necessary and unavoidable suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to "dependent property" or "secondary dependent property" caused by or resulting from any Covered Cause of Loss.

Civil Authority Additional Coverage provides Business Income loss when the action of civil authority prohibits access to the described premises. The action of civil authority must be taken in response to damage to property within 1 mile of the described premises, from a Covered Cause of Loss. The action of civil authority must also be taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property. To date, there has been no action of civil authority prohibiting access to your premises. There has been no damage to property within 1 mile of your premises from a Covered Cause of Loss.

In addition, the business closure did not occur as a result of physical loss or damage from a Covered Cause of Loss. Your policy contains an Exclusion for damage caused by Virus or Bacteria. This exclusion provides that we will not pay for any damage caused by virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. Because damage from Virus or Bacteria is excluded, the partial closing of the business was not the result of a Covered Cause of Loss.

In summary, based on the relevant policy provisions and the facts of your claim, the suspension of your operations did not occur as a result of direct physical loss or damage caused by or resulting from a Covered Cause of Loss. Therefore, we are unable to extend coverage for your claim under any of the available coverages in your policy.

## **Policy details**

Your PB 0002 1114 Premier Businessowners policy states the following:

### **A. COVERAGES**

We will pay for direct physical loss of or damage to Covered Property at the described premises in the Declarations caused by or resulting from any Covered Cause of Loss.

#### **1. COVERED PROPERTY**

Covered Property includes Buildings as described under paragraph a. below, Business Personal Property as described under paragraph b. below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that type of property.

Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under paragraph 2, PROPERTY NOT COVERED.

#### **3. COVERED CAUSES OF LOSS**

This Coverage Form insures against direct physical loss unless the loss is:

- a. Excluded in Section B. EXCLUSIONS;
- b. Limited in paragraph A.4. LIMITATIONS in this section; or
- c. Limited or excluded in Section E. PROPERTY LOSS CONDITIONS or Section F. PROPERTY GENERAL CONDITIONS.

## 5. ADDITIONAL COVERAGES

### g. Business Income

#### (1) Business Income with Ordinary Payroll Limitation

- (a) We will pay for the actual loss of "business income" you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.
- (b) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:
  - (i) The portion of the building which you rent, lease or occupy; and
  - (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (c) We will only pay for loss of "business income" that you sustain during the "period of restoration" and that occurs within the number of consecutive months shown in the Declarations for Business Income - Actual Loss Sustained after the date of direct physical loss or damage. We will only pay for "ordinary payroll expenses" for the number of days shown in the Declarations for Ordinary Payroll Limit following the date of direct physical loss or damage.

### j. Civil Authority

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for "business income" will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a

period of up to 30 days after coverage begins.

Civil Authority coverage for necessary "extra expense" will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) 30 days after the time of that action; or
- (2) When your Civil Authority coverage for "business income" ends;  
whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance

s. Dependent Properties - Business Income

- (1) We will pay for the actual loss of "business income" you sustain due to the necessary and unavoidable suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to "dependent property" or "secondary dependent property" caused by or resulting from any Covered Cause of Loss. However, this Additional Coverage does not apply when the only loss at the premises of a Dependent Property or Secondary Dependent Property is loss or damage to "electronic data." If the Dependent Property or Secondary Dependent Property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the property is repaired, rebuilt or replaced.
- (2) We will only pay for loss of "business income" that occurs within 12 consecutive months after the date of direct physical loss or damage.
- (3) This Dependent Properties - Business Income Additional Coverage is not subject to the Limits of Insurance.
- (4) The "dependent property" or "secondary dependent property" must be located in the coverage territory of this policy.

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes.

i. Virus Or Bacteria

- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (2) However, the exclusion in paragraph (1) does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion h.;
- (3) With respect to any loss or damage subject to the exclusion in paragraph (1), such exclusion supersedes any exclusion relating to "pollutants".

2. We will not pay for loss or damage caused by or resulting from any of the following:

b. Consequential Losses

Delay, loss of use or loss of market.

3. We will not pay for loss or damage caused by or resulting from any of the following B.3.a. through B.3.c. But if an excluded cause of loss that is listed in B.3.a. through B.3.c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

b. Acts Or Decisions

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

E. PROPERTY LOSS CONDITIONS

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 1 year after the date on which the direct physical loss or damage.

H. PROPERTY DEFINITIONS

The terms "you", "your", "we", "us", "our" and "insured" are defined in the Preamble of this Coverage Form. The following words or phrases, which appear in quotation marks throughout this Coverage Form and any of its endorsements, are defined as follows:

3. "Business Income" means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; plus
- b. Necessary continuing normal operating expenses incurred, while "operations" are suspended, including payroll.

7. "Dependent property" means property owned or operated by others, not including any described premises, on whom you depend on to:

- a. Deliver materials or services to you, or to others for your account. Services does not include water supply services, water removal services, steam, fuel, communication, or power supply services.
- b. Purchase your products or services.
- c. Manufacture products for delivery to your customers under contract of sale.
- d. Attract customers to your business. But this does not include firms in the business of promoting or advertising your business.

The "Dependent property" must be located in the coverage territory of this policy.

However, "Dependent property" does not mean any property owned or operated by others on

whom you depend on to provide internet services; web hosting services; internet hosting services; space on any server, computer, computer system, or other similar equipment; web pages; social media or networking services; or similar services.

16. "Operations" mean your business activities occurring at the described premises.

18. "Period of restoration" means:

- a. For other than the Dependent Properties Additional Coverage and Business Income and Extra Expense - Increased Period of Restoration Due to Ordinance or Law Additional Coverage:
  - (1) The period of time that:
    - (a) Begins the number of hours shown in the Declarations after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
    - (b) Ends on the earlier of:
      - (i) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
      - (ii) The date when business is resumed at a new permanent location.
  - (2) "Period of restoration" does not include any increased period required due to the enforcement of, or compliance with, any ordinance or law that:
    - (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
    - (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".
  - (3) The expiration date of this policy will not cut short the "period of restoration".

...

c. For Dependent Properties Additional Coverage:

- (1) The period of time that:
  - (a) Begins:
    - 24 hours after the time of direct physical loss or damage for Business Income Additional Coverage caused by or resulting from any Covered Cause of Loss at the premises of the "dependent property"; and
  - (b) Ends on the earlier of:
    - (i) The date when the property at the premises of the "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (ii) The date when your business is resumed at a permanent new location
- (2) "Period of restoration" does not include any increased period required due to the enforcement of, or compliance with, any ordinance or law that:
  - (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

(3) The expiration date of this policy will not cut short the "period of restoration".

21. "Secondary dependent property" means an entity which is not owned or operated by a Dependent property and which;

(a) Delivers materials or services to a dependent property, which in turn are used by the Dependent property in providing materials or services to you; or

(b) Accepts materials or services from a Dependent property, which in turn accepts your materials or services.

A road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure is not a Secondary dependent property.

Any property which delivers any of the following services is not a Secondary dependent property with respect to such services:

(i) Water supply services;

(ii) Wastewater removal services;

(iii) Communication supply services; or

(iv) Power supply services.

The Secondary dependent property must be located in the coverage territory of this policy:

However, "Secondary Dependent Property" does not mean any property owned or operated by others on whom you depend on to provide internet services; web hosting services; internet hosting services; space on any server, computer, computer system, or other similar equipment; web pages; social media or networking services; or similar services.

We would also like to take this opportunity to advise you of the suit provision in your Premier Businessowners Property Coverage Form, which can be found within the PB 9004 0519 California Amendatory Endorsement on Pages 3 and 4 of 5 which reads as follows:

This endorsement modifies insurance provided under the following:

PREMIER BUSINESSOWNERS COMMON POLICY CONDITIONS

PREMIER BUSINESSOWNERS PROPERTY COVERAGE FORM

PREMIER BUSINESSOWNERS LIABILITY COVERAGE FORM

#### C. AMENDMENTS TO THE PROPERTY COVERAGE FORM

6. Under Section E. Property Loss Conditions, loss condition 4. Legal Action Against Us is replaced with the following:

##### 4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

a. There has been full compliance with all of the terms of this insurance; and

b. The action is brought within 1 year after the date on which the direct physical loss or damage occurred or 2 years if the loss was related to a state of emergency.



Based upon this Condition, and the time allowed to investigate your claim, you would have until March 25, 2022, to bring action. Any claims made after this date may be denied.

For your protection California Law requires the following to appear on this form: Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**Additional information**

If you believe all or part of your claim has been wrongfully denied or rejected, you may contact the claims manager, Kirk Varner, at 614-271-0860, or you may have the matter reviewed by the California Department of Insurance at California Department of Insurance, Claims Services Bureau, 300 South Spring Street, 11th Floor, Los Angeles, California 90013, 213-897-8921 or 800-927-4357. The California Department of Insurance can also accept complaints over its website at: [www.insurance.ca.gov](http://www.insurance.ca.gov).

We expressly reserve all other rights, defenses, or contentions, which are available to us under the policy of insurance, by law or otherwise, and do not waive any such rights or defenses which we now have or which may become known to us in the future.

If you have information about this claim that may affect our current decision, please forward it to us as soon as possible.

**For more information**

If you have any questions or concerns, please contact me at .....

Sincerely,

AMCO Insurance Company  
P.O. Box 182068  
Columbus, OH 43218-2068

cc