

Note: Writing Company & Policy Number

### **COVID-19 Information for Commercial Property Policyholders**

We're closely watching the impact of COVID-19, the disease caused by the new coronavirus. We wanted to take this opportunity, at the request of your state's Insurance Commissioner, to help you and other commercial property policyholders understand how coverages in your policy relate to COVID-19. As part of that request, we are providing a summary of some common coverages.

Keep in mind that coverage provided under your specific policy may differ. You may not have all of the coverages summarized below, or your policy may have different terms, exclusions, limits, or other features. We're sending this letter for informational purposes only. This letter is not a coverage determination of any kind.

**Direct Physical Loss or Damage.** The coverages below generally require direct physical loss or damage to property by a covered cause of loss. A covered cause of loss is any direct physical loss or damage that is not excluded or limited within your policy.

Generally, the presence of virus does not constitute direct physical loss or damage to property. By way of example, closing or limiting a business to prevent the spread of the virus is not physical loss or damage to property. COVID-19 is a new disease and much is still unknown about its behavior and characteristics; therefore, all claims of damage will be assessed on their merits based on the individual facts and circumstances.

**Exclusions.** With regard to the covered cause of loss requirement, your policy may contain an exclusion for loss caused by pollutants and contaminants, which may preclude coverage for COVID-19 contamination. Your policy may also exclude coverage for loss caused by loss of market or by the acts or decisions of any person, group, organization or government. These exclusions may also preclude coverage for losses related to COVID-19 contamination depending on the facts of loss. Other exclusions and limitations may apply as well depending on the particular facts of loss.

Your policy may contain the following coverages:

- **Business Interruption.** Coverage for your loss due to a business interruption resulting from direct physical loss or damage to property at your insured premises caused by a covered cause of loss (i.e., a loss covered by your policy, such as fire). This coverage may have a waiting period which means we will not pay for any loss until the length of the suspension of your operations exceeds that stated time period. The coverage is generally provided for the reasonable period of time it takes to repair or replace the damaged property and may be subject to a maximum number of days.
- **Civil Authority.** Coverage for your loss due to a business interruption when access to your insured premises is prohibited by government order. The order must be the direct result

of a covered cause of loss to property in the immediate area, which may be subject to a maximum distance. Coverage ends when access to your premises is permitted to resume and may be limited to 30 days or some other time period after the order of civil authority. This coverage often does not begin until after a waiting period of 72 hours or some other period after access is prohibited.

- **Dependent Properties.** Coverage for your loss due to a business interruption due to direct physical loss or damage to a dependent property caused by a covered cause of loss. Dependent property is generally defined to mean a property owned by others which you depend on to receive, deliver or manufacture your goods or services. This coverage may not begin until after a waiting period of 72 hours or some other period. Your policy may require dependent properties to be scheduled and/or may limit the coverage territory to those properties in the United States, including its territories and possessions, and Canada.

**Conclusion.** This is a general explanation and summary of certain business interruption coverages and exclusions that may be included in your policy. This summary does not amend or interpret any of the specific terms and conditions of your policy, which will govern over this summary explanation. The Hartford will investigate and evaluate any claim submitted under your policy for loss or damage related to COVID-19 on an individual basis and based on the terms and conditions of your specific policy.

The foregoing should not be construed as a waiver of any of The Hartford's rights and defenses under your policy, and we specifically reserve all rights with respect to any claim for losses related to COVID-19 after review of the facts of loss in connection with the terms and conditions of your particular policy.