

Insurance Covers Vandalism, But Not COVID-19 Claims

San Francisco News

SAN FRANCISCO—On Thursday, June 4, as a result of the COVID-19 pandemic, there has been an increase in insurance claims filed by businesses in the Bay Area, but some insurance companies have been denying the payouts.

“Almost all business ranging from small to medium to large are all getting their claims denied right now regarding COVID business-loss,” said Amy Bach, executive director and co-founder of United Policyholders to San Francisco News. The company describes its goal as making sure insurance consumers have a safe place to get information and insight about insurance. “So restaurants, retail stores, grocery stores, and business of all kinds,” Bach added.

“Some businesses that have already filed lawsuits are John’s Grill in San Francisco, In-N-Out Burger, Moda Clothing Store, Caribe Nightclub, Geragos & Geragos law firm)” said Bach in a phone interview with The San Francisco News.

Insurance companies may want to avoid paying businesses if they are facing a substantial amount of claims. Bach explained that “it’s really early and it’s going to be a long fight because there’s thousands of lawsuits pending...some policy holders will win, some of the businesses will win, and some of the insurance companies will win.”

“So they are arguing that it was never covered in the first place. Their argument is that since it’s due to a virus, they don’t owe anybody money and that is a huge generalization,” Bach told the San Francisco News.

Most businesses thought they would have a security blanket or a safety net to fall back on, said Bach. Yet, throughout the COVID-19 pandemic, the insurance companies have not been that.

“To insurance companies it’s a business, but they sell it as a security blanket. The public think they a safety net and they will be protected if something bad happens, but to the insurance company it’s just business,” said Bach.

In the wake of the recent protests, some which have involved vandalism and looting, insurance companies for the most part have covered those losses.

“The businesses that’re getting hit by looting and vandalism have a better shot at getting those claims paid than they had for their COVID related shutdown claims because the virus exclusion is particular on the problem that vandalism and looting are usually covered,” Bach said.