



Alerts

California is the Next State to Request Business Interruption Coverage Information from Insurers

March 30, 2020

Insights for Insurers

On March 26, 2020, California's Department of Insurance (the "Department") issued an "urgent data survey" to all admitted and non-admitted insurance companies, seeking information about coverage for COVID-19 business interruption exposures. In the [Notice](#) entitled "Request for Information: Business Interruption and Related Coverage in California," the Department stated that recent events "have left California businesses and the state facing uncertainties and weighing public policy options." In order to understand "the number and scope of business interruption type coverages in effect, and the approximate number of policies that exclude virus such as COVID-19," the Department has posed the following questions. Responses must be submitted by April 9, 2020.

1. How many policies are covered under each coverage identified above?
2. Out of these policies, how many policies fall under businesses with more than 500 employees, or alternatively, meet your definition of large business?
3. Out of these policies, how many policies fall under businesses with less than 500 employees, or alternatively, meet your definition of medium size business?
4. Out of those with less than 500 employees, how many policies fall under businesses with less than 100 employees, or alternatively, meet your definition of small business?

As we have [reported](#), New York State's insurance regulator requested information from insurers concerning COVID-19 coverage issues. Additionally, at a recent public session held by the National Association of Insurance Commissioners via video conference, insurance industry representatives pointed out that insurers are receiving various requests for information and data, and urged state regulators to coordinate their various requests to avoid taxing insurer resources in responding. Insurers are urged to carefully consider their responses to regulatory requests. Please contact your Hinshaw [Insurance Services attorney](#) for assistance in that regard.

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