



# INSURANCE ALERT

## AUGUST 2011

### *Hurricane Irene - Do I Have Insurance For My Business Interruption Losses?*

In the aftermath of Hurricane Irene, many of our clients are considering whether they have insurance coverage for business income losses and other losses caused by the hurricane and the resultant loss of power.

The coverage offered by a business interruption policy can vary greatly from policy to policy. Generally, if your property suffered direct physical damage caused by the hurricane and, as a result, you suffered a loss of business income or incurred extra expense, your policy would likely provide coverage for those losses if it is endorsed with business interruption coverage. In addition, even if your property did not suffer any direct physical damage from the hurricane, certain coverages might still be available to you. For example, your policy might contain one or more of the following additional coverages by endorsement:

- **Contingent Business Interruption Coverage**—covers losses suffered from damage to other property that prevents a supplier from supplying goods and/or services to you, or that prevents customers from accepting goods and/or services from you;
- **Services Interruption/Off Premises Power Coverage**—covers losses suffered from damage to the property of a utility service provider resulting in an interruption of that utility service at your property;
- **Civil Authority Coverage**—covers losses suffered when access to your property is restricted by order or action of civil authority, e.g. evacuation;
- **Ingress/Egress Coverage**—covers losses suffered when entry to or exit from your property is impaired.

Careful attention should also be paid to the hurricane or "windstorm" deductible, which can sometimes be significantly larger than the deductible for other losses. The policy might also provide a "waiting period" whereby any losses incurred during a certain period of time following the hurricane (e.g. 24 hours) will not be covered. In addition, the policy might provide an "extended period of indemnity" which allows an insured to recover damages for a certain period of time even after its doors reopen for business.

Herrick's Insurance Group can assist you by reviewing your insurance policies, advising as to the scope of available coverage for business interruption and other issues, and working closely with you through the insurance claim process to maximize your claim. We have significant experience in handling a myriad of insurance issues following catastrophes. Please contact [Alan Lyons](mailto:Alan.Lyons@herrick.com) at (212) 592-1539 or [alyons@herrick.com](mailto:alyons@herrick.com) for further information.

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