

# Lawyer Insights

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## Multiple Hurricanes, Multiple Insurance Claims

by *Walter J. Andrews*

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The storms were different, but the resulting insurance issues will be very similar.

Even as Hurricane Irma has shifted the national media focus away from Houston, the devastation inflicted by Hurricane Harvey remains and both hurricanes have given and will continue to give rise to substantial insurance claims. Irma destroyed many buildings in Florida, but Harvey caused a different type of damage: widespread flooding and the dislocation of thousands of Texans. As any businessman knows, if you don't have any customers, or if they can't access your facilities, you don't have business. Many businesses are facing vast amounts of lost earnings during the time it takes to repair hurricane-related damage. Local business owners facing huge losses have a financial lifeline in the form of business-interruption coverage in their property policies.

Business-interruption coverage is designed to cover this exact situation - lost income or profits caused by the interruption of business activities due to physical damage to property. The damage does not have to occur to the insured property itself; it may be enough that property damage occurred to key vendors or customers, or simply in the area of your business - for instance, if there are no tourists coming to the Florida Keys or sufficient customers remaining in Harvey's destructive path. These policies may cover even a partial suspension of operations or slowdown in normal business volume.

Your policy may also provide coverage for business interruption caused by damage to someone else's property, regardless of whether your business's property was damaged. Contingent business interruption coverage provides coverage for loss of income when your suppliers, customers, or business partners suffer property damage that results in lost income to your business.

In addition, your policy may include civil-authority coverage, which provides coverage for business income lost as a result of governmental orders preventing or restricting access due to property damage occurring elsewhere.

As Houston begins to pick up the pieces in Harvey's wake, you have many pressing matters to attend to in order to make sure that your business returns to full capacity. However, you must act now to ensure that your insurer honors your business-interruption claims and pays them in full. Business-interruption policies typically have provisions requiring notice of claims "as soon as practicable," including strict, very short deadlines within which you must submit your proof of loss. So make sure you get your claims in as soon as possible.

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