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COVID-19 and Business Income Insurance

The Department of Financial Regulation has developed this guidance document to address numerous questions from the business community as it relates to Coronavirus (COVID-19) and Business Income Insurance.

Does my business policy provide loss of income coverage for loss of business during the COVID-19 pandemic?

Review your policy to determine if it does include Business Income coverage. This may be included automatically in a Businessowners Policy or may be added by endorsement to a Commercial Property policy.

Once you have determined that your policy does include Business Income coverage, review the section called “Covered causes of loss”, this section describes what is a covered peril. Typically, it covers direct physical loss to covered property, therefore, if there is no damage to the building or business personal property, there would be no coverage for loss of income in most business policies.

What if my business is open, but my suppliers or customers are shut down due to COVID-19, will my policy provide loss of income in that circumstance?

Review your policy to determine if it does include Business Income from Dependent Properties. Not all policies include this coverage, however, even if you determine that your policy includes this coverage, once again it covers for the actual loss of Business Income you sustain due to the necessary suspension of your operations during the period of restoration. The suspension must be caused by direct physical loss of or damage to dependent property.

Who should I contact to determine if I have coverage?

You should contact your insurance agent or insurance carrier who can verify the coverage on your policy. Additionally, you may contact Pat Murray at the Department of Financial Regulation at Pat.Murray@vermont.gov or, if necessary, at (802) 828-5795 with any questions regarding this guidance.

