In the aftermath of a disaster, our team of experienced insurance coverage lawyers work with you from the start of an incident through the claim’s resolution, helping you coordinate and maximize your loss recovery efforts.

The ideal time to focus on insurance protection for these types of disasters is prior to the incident. The first step is to know what coverage your policy provides. Below are examples of standard commercial coverage that your business should have in its portfolio.

**PROPERTY COVERAGE**

If a natural disaster causes physical damage to your company’s real or personal property, your first-party property insurance policy should indemnify you. To recover these insurance proceeds, a policyholder must prove that its property sustained physical damage due to a covered event. Many policies cover “all risks,” although some are written on a “named perils” basis, i.e. fire, lightning, earthquakes, wind, etc. and exclude all other risks. Make a thorough review of your property policy to determine which possible causes of business loss are covered events.

**BUSINESS INTERRUPTION COVERAGE**

Should your company’s property damage lead to an interruption of your business, any revenue lost due to that interruption may be covered under the Business Interruption provision of your property policy. To recover a business interruption loss, the policyholder must prove the following:

- Property damage sustained due to a covered event
- Interruption of business (suspension of operations) caused by the property damage
- Actual loss of business income during the period of interruption
- The loss of income was caused by the interruption of business, not other factor(s)

This provision indemnifies the policyholder for revenue it would have received during the period of interruption if the covered event and resulting property damage had never occurred.

**CONTINGENT BUSINESS INTERRUPTION COVERAGE**

Even if your business does not suffer any property damage from a natural disaster, you may still experience a business interruption or slowdown if your customers or suppliers sustain damage to property due to a natural disaster. If your policy provides for “Contingent Business Interruption” coverage, you may receive compensation for lost revenue and profits from an interruption of business resulting from damage to a customer’s or supplier’s property. To recover a contingent business interruption loss, the type of covered event and damage that your customer or supplier sustains must be the same type of covered event and damage covered under your company’s own property policy.
FIRST STEPS AFTER A DISASTER STRIKES: NOTICE, PROOF OF LOSS AND FILING A CLAIM

Documentation is essential to help maximize your insurance recovery. Your business should thoroughly document the facts of the loss and keep track of all related expenses. In addition, virtually all property insurance policies require the policyholder to perform certain duties within a specific time period following a loss. For example, most policies require the policyholder to:

- give notice of a claim as soon as practicable;
- submit a proof of loss, often with a deadline of as little as 60 days from the date of loss; and
- file suit against the insurer over any disputes by the deadline set forth in the policy, which can be as little as one year from the date of loss.

Failure to comply with these conditions and timelines may result in a complete loss of coverage. If your business intends to submit a claim but is unable to meet the deadlines specified in your policy, contact your insurer immediately and ask for an extension.

REPRESENTATIVE EXPERIENCE

HURRICANE KATRINA  Represented a major educational institution in three separate actions against its property insurers for coverage for property damage and business interruption losses.

SUPERSTORM SANDY  Advised a global financial services firm, railroad company, grocery chain and other businesses regarding coverage for property damage and business interruption losses from the storm and resulting closure of the New York Stock Exchange.

HURRICANE RITA  Representing a developer in a dispute with a bank and its insurer over the extensive damage to a large Caribbean resort property.

HURRICANE FLOYD  Represented the operator of a nationwide network of automated teller machines that suffered a significant business-interruption loss when its main data center was flooded, shutting down the network for several days.

HURRICANE IIKE  Recovered full policy limits from insurer on behalf of Texas homeowners for damage; recovered millions of dollars in contingent business interruption insurance for manufacturer that could not operate due to destruction of railroad lines after the hurricane.

FIRE AND LIGHTNING/CONTINGENT BUSINESS INTERRUPTION  Represented a major Midwestern electrical utility company in a multimillion-dollar property claim for contingent business interruption and other time-element coverages following a fire and lightning strike at its supplier’s facility.

PERKINS COIE’S INSURANCE RECOVERY PRACTICE

Perkins Coie is among the elite firms in the country that represent only policyholders with respect to insurance coverage disputes, including those related to a range of natural disasters.

Our Insurance Recovery attorneys have a diverse background and history of achievement in enforcing policyholders’ rights to coverage under nearly every type of commercial insurance policy associated with a wide spectrum of losses and liabilities. We have negotiated with, and litigated against, every major insurer in the domestic insurance market as well as in the London and Bermuda insurance markets. Perkins Coie attorneys represent public sector policyholders and leading companies in almost every industry, including FORTUNE 500 and Global 500 companies.