

Client Alert

Insurers' COVID-19 Notepad: What You Need to Know Now - Week of August 15, 2022

August 15, 2022

Courts Dismiss COVID-19 Business Interruption Claims

On August 11, 2022, the Fourth Circuit affirmed a grant of judgment on the pleadings to Illinois Union Insurance Company on a buffet franchise's COVID-19 business interruption claims. The court applied its decision in *Uncork & Create LLC v. Cincinnati Insurance Company*, 27 F.4th 926 (4th Cir. 2022), which held that losses caused by the COVID-19 pandemic were not covered absent material destruction or material harm to the insured premises. The case is *Golden Corral Corp. v. Ill. Union Ins. Co.*

On August 8, 2022, the Superior Court of California granted Factory Mutual Insurance Company's motion to strike portions of a complaint filed by nineteen National Hockey League clubs for losses resulting from the COVID-19 pandemic and denied its demurrer. Citing *United Talent Agency v. Vigilant Ins. Co.*, 77 Cal. App. 5th 821 (2022), the Court found that plaintiffs failed to allege covered physical loss or damage due to COVID-19, although it allowed the plaintiffs' claim for communicable disease coverage to survive Factory Mutual's demurrer. The case is *San Jose Sharks LLC, et al. v. Factory Mut. Ins. Co., et al.*

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