

CLIENT ALERT

Insurers' COVID-19 Notepad: What You Need to Know Now - Week of July 25, 2022

July 25, 2022

Court Dismisses COVID-19 Business Interruption Claim

On July 19, 2022, the Court of Appeals of North Carolina affirmed the dismissal of a property owner's COVID-19 business interruption claim. The court concluded that the plaintiff's complaint failed to state a claim for "direct physical loss" to its dwelling because it failed to allege any lost income due to damage or destruction of the property when it alleged only that roads accessing the property were closed due to the prohibition on entry into the county by non-resident visitors related to the COVID-19 pandemic. Opinion at 8-9. The court also found that there was no coverage for loss of use where there was no allegation that the county prohibited the plaintiff from using its property. *Id.* at 10-11. The case is *Four Roses, LLC v. First Protective Ins. Co.*

For more information, please contact the professional(s) listed below, or your regular Crowell & Moring contact.

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