

Ernest Martin, Greg Van Houten in Law360: New York COVID-19 Insurance Claims Must Be Paid Promptly

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PRACTICES Insurance Recovery

The flurry of COVID-19 insurance coverage articles written over the past several weeks are a mixed bag — some articles paint an optimistic picture, where coverage is a possibility or a certainty, whereas others make coverage sound as unlikely as returning to the office before May Day.

The latter group should tread lightly, however, as New York courts have made clear that insurers are liable for any consequential damages they cause by improperly denying or delaying payment under property damage and business interruption policies, even in the absence of bad faith. Thus, insurers must carefully analyze each and every situation, consider deciding close calls in favor of their policyholders, and do whatever they can to get covered dollars in their policyholder's hands as soon as possible.

New York law on consequential damages has been crystal clear since the 2008 New York Court of Appeals decision in *Bi-Economy Market Inc. v. Harleystown Insurance Co. of New York* — such damages are recoverable if they were foreseeable at the time of contracting.

Excerpted from *Law360*. To read the full article, click [here](#).