



NW Insurance Council

## *Media Advisory*

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# What to know about Personal & Commercial Insurance and civil unrest

*SEATTLE, June 3, 2020* – Protest marches that have included acts of vandalism, theft and violence have resulted in considerable damage to businesses in many communities in Washington and Oregon in recent days. At this time, we do not have an estimate of insured losses resulting from the civil unrest. This will be difficult to estimate, due to (1) the continuing protests and inability to freely and fully adjust/evaluate claims; and (2) the number of insurers who may see claims from insured properties in the affected communities. We have requested information from our members and other organizations and will provide it when we can to the media.

Please see below and on our [website](#) an [Issue Brief](#) compiled by NW Insurance Council offering general information about personal and commercial insurance that may provide coverage for losses suffered by policyholders in affected communities.

In general, there is coverage for property and/or vehicle damage that is the result of civil unrest, and coverage for loss of income due to a business closure – due either to physical damage or to closure by civil authority – may also be available. However, it is important to stress that the language of the policy determines coverage, not generalized

statements. We urge business, home and vehicle owners to review their policies with an insurance professional – their insurance company or agent/broker – to know what their policies cover, BEFORE damage occurs.



## Issue Brief

Information about auto, home & business insurance for consumers, media and policymakers in Washington, Oregon & Idaho.  
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### What to know about:

## Personal & Commercial Insurance and Civil Unrest

Generally, property damage suffered as a result of vandalism, theft, fire or other activities in connection with protest/civil unrest/civil commotion is typically covered under standard business and personal insurance policies. Policies and procedures differ by insurer, and coverage will ultimately depend on the language of individual policies and the circumstances of individual claims. **It's important for insurance policyholders to review policies with their company, agent or broker to understand their coverage.**

- **Auto insurance protection:** personal vehicles damaged or destroyed by fire, falling objects, vandalism or rioting will be eligible for repair/replacement (minus deductible) under optional (but widely purchased) Comprehensive insurance.
- **Homeowners/Condo owners/Renters:** Damage to a dwelling or structure on personal property form (if) will be typically covered under standard homeowners policies. Damage to the contents/personal possessions of an individual person in a rented condo, house or apartment is typically covered under a **condo owners or renters** policy. (Personal possessions include a damaged vehicle – like a mobile device, laptop, luggage or personal effects would be covered under a homeowner's policy as well.)
- **Business Owners Policies (BOPs) and Commercial Liability (CL):** Damage due to civil unrest – fire, vandalism, theft and other damages – are typically covered under **commercial property, liability and business owners policies**. The limits of coverage will vary by company and are often negotiated based on need and cost between the insurer and the business owner. As many businesses lease space in buildings owned by others, their policies will cover damage done to the business/inventory and cost to repair, but not necessarily to the structure (such as broken glass or entryways), which should be covered by insurance held by the building owner.

**Business Interruption (BI) insurance:** BI protection helps to cover the loss of business income. It typically provides coverage due to physical damage that forces the closure of a business, and often also includes coverage in the event of the closure of a business that is ordered by civil authority. Insurance information that estimates only 40% of businesses with commercial insurance coverage also have BI coverage.

- **Business Interruption triggered by physical damage:** a business that suffers damage due to a riot or protest and is forced to close until repairs are made could potentially be covered by BI coverage, up to the time or dollar limits of the policy, often subject to a time-period deductibles such as 72 hours.
- **Business Interruption triggered by Order of Civil Authority:** a business that is ordered to close due to an order from municipal, county or state government authorities may be covered, but access to the business must be prohibited due to damage by a covered peril not at your premises. (Example: a neighboring business suffers a BI-covered loss within a block of your business location and local authorities shut down the block due to the damage. Damage to your neighbor's business may be covered under their property & BI policies; loss of income at your business may be covered by your BI policy, often subject to a time-period deductibles such as 72 hours.

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NW Insurance Council is a nonprofit, insurer-supported organization providing information about home, auto and business insurance to consumers, media and public policymakers in Washington, Oregon and Idaho.

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