



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Commerce, Community,
and Economic Development**

DIVISION OF INSURANCE

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Consumer Advisory Alert: Business Interruption Insurance

The Division of Insurance is issuing this notice to provide guidance to policyholders and insurers regarding business interruption insurance during the COVID-19 public health disaster emergency.

Business interruption insurance protects businesses against income losses sustained as a result of disruptions to their operations when loss or damage has occurred. Business interruption typically indemnifies the insured for loss of revenue that would have been earned had there been no business interruption and the continuing normal operating expenses incurred during the time it takes to restore the damaged property. A business interruption insurance policy should clearly list or describe the types of events, commonly known as perils, that it covers. Perils that are not listed or described in the policy, or that are specifically excluded in the policy, are generally not covered.

Working with their insurance broker, policyholders are encouraged to review their policies to determine if the losses they have incurred due to the COVID-19 public health disaster emergency are covered under their policy. If they believe that the losses are covered they should submit a claim to their insurer.

Insurers should conduct a thorough, fair, and objective investigation of any claims received. If the insurer denies the claim, 3 AAC 26.070 requires insurers to “state the specific provisions, conditions, exclusions, and facts upon which the denial is based.” This should be clearly conveyed to the policyholder.

Dated May 13, 2020.

A handwritten signature in blue ink that reads "Lori Wing-Heier".

Lori Wing-Heier
Director