

In the News

Insurance Journal: Diverging Views: Is COVID a One-Off Catastrophe or Not?

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O'Melveny insurance group chair Tancred Schiavoni and counsel Zoheb Noorani were quoted in this article discussing the uncertainty in the equity markets over insurers' business payouts amid the COVID-19 pandemic. Reinsurers are "open for business" and insurers and reinsurers are reporting the impacts of COVID-19 as a one-off catastrophe, but equity markets are viewing the situation differently, *Insurance Journal* reported. Schiavoni and Noorani cited the case law around the issue, discussing some of the most frequently asked questions about carriers' exposure as: Is there physical loss or property damage? How can plaintiffs prove the presence of the virus? Do the shelter-in-place orders prohibit access to the premises, giving rise to civil authority coverage?

"This is a unique situation. Even if no governmental order shut down a property, because there's a weakness in demand, most properties like restaurants or tailors probably would not be profitable," Noorani said. "So, how do you measure the damages? Is it the lost income that would have been earned if the pandemic never happened? Or is it the lost income that would have been earned had the business stayed open during the pandemic?"

Read the full article [here](#).