

Insurance Update From Monument Sports

April 1, 2020

in [CWA Blog](#)

Posted By Monument Sports Group, Wednesday, April 1, 2020



As the COVID-19 impact has developed, we have been in touch with most CWA members. Our office will continue working extended hours during the week and weekend to make sure that we are available to you to discuss your questions and concerns. We hope everyone stays safe and healthy as we all do our best to navigate this unprecedented health and financial crisis.

Business Income/Business Interruption

Unfortunately, Insurance Carriers have been responding in line with expectations outlined in the prior CWA COVID-19 communication and discussed in the insurance portion of the [first CWA Community Call](#): COVID-19 Business Income claims are being filed and subsequently denied regularly. The standard COVID-19 Business Income claim denial will most likely refer to Virus or similar exclusions and state that virus has not caused Direct Physical Damage. These results should not deter any gym from filing a Business Income claim. We still recommend filing loss of income claims and the Carrier will need to review and determine coverage.

Many of you are hearing about coverage terms such as Civil Authority and Contingent Business Income. If you file a claim and the Carrier's response does not address those issues, then note that the claims adjuster should be prepared to expand upon those particular subjects and if they apply to your claim. Business Income is a complicated subject even in the best of times and these are complex claim scenarios.

Our office is available to discuss this topic further and provide additional details and resources. Given that it is widely known that the typical policy is not covering Business Income claims from COVID-19, legal and legislative efforts are underway.

Legal and Legislative Developments

Also, as expected, lawsuits challenging Business Income Claim denials have been filed quickly, with the [first being in Louisiana](#) and more to follow.

While the legal process plays out, state legislatures are also contemplating action. New Jersey was the first state to introduce a bill that would force Carriers to pay COVID-19 related Business Income claims (despite specific exclusions or other issues). Currently MA, OH, NJ, and NY are all considering legislation, but experts indicate that constitutionality will be a significant obstacle. We expect additional states to consider legislation or potentially involve their respective Departments of Insurance.

Federal level discussions are less visible at this point, but various ideas have been suggested including using the expertise of the Carriers to adjust Business Income claims on a national scale but have the government fund the claims. Ultimately and while not helpful immediately, coverage for future Pandemic-related losses might be available in the same fashion that Terrorism coverage is now available.

Our office has reached out to our local legislators to ensure that they understand that the Business Income claims are being denied and that gyms are significantly impacted.

Please note that even if Business Income coverage is eventually triggered, the amount of coverage could be very limited. While we are all hopeful that the recent federal relief package will provide immediate relief, we know that will not be enough. We encourage gym owners to use all their available contacts as well to increase awareness on all of these issues. We will continue to press forward on all fronts.

General Insurance Company and Program Company Update

In 2013, the CWA tasked Monument Sports with finding a General Liability Carrier that would stabilize the program and be a long-term partner. Everest Insurance has been the preferred General Liability Carrier since 2013.

We have relied on that initial commitment and long-term relationship as we have had extensive discussions with them recently on the financial crisis many gyms are facing. They have confirmed they understand the challenges the pandemic has caused the climbing gym community and will work with us to look for solutions to help.

First, they are deferring almost all outstanding invoices by 60 days (add 60 days to the due date shown on the invoice that you are looking at). Please contact our office directly on your invoices so we can ensure there is no confusion.

Secondly, Everest recognizes that most current General Liability policy premiums were based on anticipated revenue figures provided prior to the coronavirus outbreak. Everest has committed

to work with Monument Sports and the gyms to review those premiums to ensure that the negative revenue impact caused by the pandemic is a factor in determining the final premiums. Gyms with coverage renewing right now are being prioritized, but any gym is welcome to reach out to us to get additional details or ask questions.

In addition to Everest, most Carriers for all Lines of Coverage are providing flexibility with billing plans and deferring payments, but it will depend on the particular Carrier. Further, many states are issuing guidelines requiring additional time to pay, as well as adjusting rules for cancellation and non-renewal.

MSG clients should contact us directly if they have questions on any current or upcoming invoices. We will continue to send those based on initial installment plans but are ready to work with the Carriers and gyms as needed. As a reminder, some installment plans might have been set up for automatic withdrawal, so make sure to follow appropriate steps to discontinue those if desired.

We have done our best to provide broad updates on a variety of topics pertaining to an unprecedented situation, but please note that each gym's policies and circumstances are different and they should reach out to us with specific questions and engage with relevant experts in other fields.

Community Call With Monument

We will be joining the CWA for a Community Call to answer questions and provide additional guidance on Thursday, April 9 at 10am mountain. [Register now to join us.](#)

In the meantime, please do not hesitate to reach out to us if you have questions or need assistance. You can send any inquiries to msg@monumentsports.com or reach us by phone at 866-674-1234.

Sincerely,

Mark Grossman and the MSG team

 **8 WAYS TO KEEP YOUR CLIMBING
GYM COMMUNITY ENGAGED
DURING COVID-19**

April 3, 2020

**YOUR CURRENT SBA LOAN
OPTIONS** 

March 30, 2020