



## SANTANASTO LAW

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### **RE: Coronavirus (Covid-19) Quick Questions**

Our office has prepared questions and general answers surrounding Coronavirus (COVID-19) for Businesses. For specific answers to your questions please contact our office at 610-849-1780 or email [PGerencher@santanastolaw.com](mailto:PGerencher@santanastolaw.com) to set up a virtual appointment.

#### **Will there be business assistance for those affected by coronavirus(covid-19)?**

Keep checking our Coronavirus Small Business Support page for the updates on the CARES Act, loan and grant programs, Paid Sick Leave, legal news, and resources.

#### **Is coronavirus (covid-19) going to affect my contracts and the performance of them?**

This depends on how your contracts are written. Many contracts have provisions force majeure or “act of god” provisions which are designed to relieve a party from certain contractual obligations or excuse performance in the event of outside circumstances beyond that parties’ reasonable control. Some contractual provisions specifically include language for pandemics like Covid-19 while others are more general in their language. Even contracts provisions without specific reference to pandemics, may still be triggered under more common general references to “Acts of God”.

#### **Will insurance help with my coronavirus business shut down?**

A business that suffers a loss as a result of disruption arising from Covid-19 should review its insurance to determine if it has coverage. Insurance commonly has strict provisions requiring notification to insurers of actual or potential claims within a particular timeframe, together with duties to mitigate loss and to consult with insurers before taking action, and therefore it is key to identify these issues early. Classic business interruption insurance may not cover Covid-19. Typically, it is not sold as a standalone policy but may be an available endorsement for business’s property, or all-risks, insurance program, and covers loss of income that a business suffers as a direct result of physical damage to insured property. Whether there is coverage may depend on the specific language of the policy or endorsement. Business interruption policies can provide broader cover, often as an extension, for interruption caused by non-physical events, and bespoke contingency coverage or events insurance is also available which provides insurance for losses arising from the cancellation, abandonment, postponement or interruption of particular events. If this type of coverage is in place, insureds will need to consider carefully the triggers for cover, in particular, whether cover is provided for losses that result from an outbreak of an epidemic or whether these losses are expressly excluded.

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