

# The Paley Rothman Blog

Paley Rothman shares this library of resources with clients and friends of the firm to help them stay ahead of legal and business developments and trends. Here, you will find helpful tips and tools written by our attorneys. The information in the blogs and articles is not a substitute for legal advice and should not be relied on as such. Should you have any questions or want legal advice, please contact the attorney who wrote the blog or article.

## **NEW YORK'S HIGHEST COURT'S REJECTION OF A NARROW VIEW OF COVERED DAMAGES HAS WIDE APPLICATION**

In a highly anticipated decision, New York's highest court held in a securities-related dispute that funds the insureds disgorged as part of a settlement with the SEC did not constitute a "penalty imposed by law" under the policies at issue in *J.P Morgan Securities Inc., et al. v. Vigilant Ins. Co., et al.*

## **THE ISSUE IS JOINED: WHETHER LOSSES INCURRED DUE TO THE CORONAVIRUS CONSTITUTE DIRECT PHYSICAL LOSS OR DAMAGE**

While there is much uncertainty about the extent and scope of the coronavirus' impact, one thing is certain: insurers and policyholders are sure to clash over whether their policies provide coverage for losses related to the coronavirus pandemic. In fact, that clash has begun.

## **THE PLAYING FIELD FOR CORONAVIRUS INSURANCE RECOVERY IS WIDE OPEN**

Insurance recovery for coronavirus raises a wide range of issues, including (i) liability arising out of civil authority, (ii) what constitutes physical injury to property and (iii) the applicability of pathogen-related exclusions, if any. As a preliminary matter, each individual insurance policy must be reviewed, as the applicable language may vary from policy-to-policy.

## **CORONAVIRUS & INSURANCE - AVOID THE CAUSATION TRAP, KNOW YOUR STORY**

We won't know the full extent of the fallout from the coronavirus but we can confidently predict that insurance will play a prominent role in spreading the losses among all stakeholders and anticipated claimants.