Simpson Thacher

Insurance Law Alert

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We hope you and your loved ones are staying safe and well. The COVID-19 pandemic continues to rapidly evolve and present challenges to our community, our nation and the world at large. The Firm is actively monitoring COVID-19 developments and evaluating appropriate responses to best protect the safety and well-being of our colleagues, clients and community.

"[Simpson Thacher] is one of the preeminent and most sophisticated coverage litigation firms."

– *Chambers USA* 2019 (quoting a client)

California Supreme Court Says Vertical Exhaustion Triggers Excess Coverage

The Supreme Court of California ruled that a policyholder was entitled to coverage under a higher level policy once it had exhausted directly underlying excess policies for the same policy period, and was not required to exhaust every lower level excess policy during the relevant time frame. *Montrose Chem. Corp. of Ca. v. Sup. Ct. of L.A. Cty.*, 2020 WL 1671560 (Cal. Apr. 6, 2020). (Click here for full article)

Mississippi Court Rules That Email Phishing Claims Are Not Covered By Computer Transfer Fraud Or Funds Transfer Coverage Provisions

A Mississippi federal district court ruled that losses stemming from wire transfers initiated by spoofed emails were not covered by Computer Transfer Fraud or Funds Transfer coverage provisions. *Miss. Silicon Holdings, LLC v. AXIS Ins. Co.*, 2020 WL 869974 (N.D. Miss. Feb. 21, 2020). (Click here for full article)

Indiana Court Of Appeals Rules That Computer Fraud Coverage Provision Does Not Encompass Losses From Ransomware Attack

The Indiana Court of Appeals ruled that Computer Fraud coverage was not available for losses stemming from a ransomware attack. *G&G Oil Co. of In. v. Cont'l W. Ins. Co.*, 2020 WL 1528095 (Ind. Ct. App. Mar. 31, 2020). (Click here for full article)

Illinois Appellate Court Rules That Disclosure Of Fingerprint Scan To Third Party Is "Publication" For Purposes Of Personal Injury And Advertising Coverage

An Illinois appellate court ruled that allegations that the policyholder shared customers' fingerprint data with a single vendor was a "publication" triggering a duty to defend under the Personal and Advertising Injury coverage provision. *W. Bend Mut. Ins. Co. v. Krishna Schaumburg Tan, Inc.*, 2020 WL 1330494 (Ill. Ct. App. Mar. 20, 2020). (Click here for full article)

Second Circuit Asks New York Court Of Appeals To Decide Whether A Failure-To-Accommodate Discrimination Claim Is A Covered "Occurrence" Under General Liability Policy

The Second Circuit asked the New York Court of Appeals to address whether a general liability insurer must defend a discrimination suit alleging failure to accommodate. *Brooklyn Ctr. for Psychotherapy, Inc. v. Phila. Indem. Ins. Co.*, 2020 WL 1777211 (2d Cir. Apr. 9, 2020). (Click here for full article)

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Sixth Circuit Rules That Insurer May Not Deduct Cost Of Labor In Calculating Actual Cash Value

The Sixth Circuit, applying Ohio law, deemed an Actual Cash Value provision ambiguous and interpreted it against the insurer, ruling that labor cost depreciation could not be considered in calculating ACV. *Perry v. Allstate Indem. Co.*, 2020 WL 1284960 (6th Cir. Mar. 18, 2020). (Click here for full article)

Two Courts Interpret Preemption Of Washington's Statutory Prohibition On Arbitration Of Insurance Disputes

The Ninth Circuit ruled that the Liability Risk Retention Act preempts Washington's anti-arbitration statute, *Allied Prof'ls Ins. Co. v. Anglesey*, 2020 WL 1179772 (9th Cir. Mar. 12, 2020), and a Washington federal district court voided an arbitration provision in a reinsurance agreement pursuant to Washington statutory law, *Wash. Cities Ins. Auth. v. Ironshore Indem., Inc.*, 2020 WL 1083715 (W.D. Wash. Mar. 6, 2020). (Click here for full article)

Pennsylvania Supreme Court Upholds Governor's Executive Order, Deeming COVID A "Natural Disaster" Under State Emergency Statute

The Pennsylvania Supreme Court upheld an executive order requiring the closure of all nonlife-sustaining businesses, ruling that the COVID pandemic is a "natural disaster," as defined by the relevant state Emergency Code. *Friends of Danny DeVito v. Tom Wolf, Governor*, 2020 WL 1847100 (Pa. Apr. 13, 2020). (Click here for full article)

Visit The Firm's COVID-19 Resource Center

As the coronavirus spreads across the globe, we continue to monitor the impacts on businesses, financial markets, and international trade and commerce. In this climate, our clients are facing a number of legal issues related to the outbreak and resulting business disruptions. To help you stay informed, we provide guidance on our Coronavirus (COVID-19) Resource Center for management teams and boards of directors in navigating this crisis. We will continue to update the page with key developments and insights that affect your business and the health and safety of your employees. (Click here for full article)

STB News Alerts

Click here to read about the Firm's insurance-related publications.

Excess Alert:

California Supreme Court Says Vertical Exhaustion Triggers Excess Coverage

The Supreme Court of California ruled that based on applicable policy language, a policyholder was entitled to coverage under a higher level policy once it had exhausted directly underlying excess policies for the same policy period, and was not required to exhaust every lower level excess policy during the relevant time frame. *Montrose Chem. Corp. of Ca. v. Sup. Ct. of L.A. Cty.*, 2020 WL 1671560 (Cal. Apr. 6, 2020).

Montrose sought indemnity from its primary and excess general liability insurers for millions of dollars expended in environmental remediation. Although the language of the various policies at issue differed in some respects, each provided that Montrose must exhaust the limits of its underlying insurance before accessing coverage under excess policies. Additionally, the excess policies provided that "other insurance" must be exhausted before excess coverage can be accessed. The parties disputed whether the "other insurance" clauses required Montrose to exhaust lower level insurance coverage from other policy periods before seeking excess coverage for any given policy period.

The California Supreme Court endorsed a "vertical exhaustion" approach under which Montrose may access any excess policy once it has exhausted other policies with lower attachment points in the same policy period. The court noted that none of the "other insurance" clauses explicitly address whether Montrose is required to exhaust insurance with lower attachment points in different policy periods. For example, the court explained that language requiring exhaustion of "all underlying insurance" could "fairly be read to refer only to other *directly* underlying insurance in the same policy period that was not specifically identified in the schedule of underlying insurance" (emphasis in original). As such, the court declined to interpret the "other insurance" clauses as "a clear and explicit direction to adopt a requirement of horizontal exhaustion in cases of long-tail injury." Highlighting the importance of policy language, the court emphasized that "[p]arties to insurance contracts are, of course, free to write the policies differently to establish alternative exhaustion requirements or coverage allocation rules if they so wish."

Addressing potential contribution claims among insurers, the court ruled that an insurer that is called upon to indemnify Montrose's loss may seek reimbursement from other insurers that issued policies at other points during the relevant time frame. Finally, the court remanded a choice of law issue for a determination by the lower court as to whether certain policies should be construed under Connecticut or New York law, rather than California law.

Cyber Alerts:

Mississippi Court Rules That Email Phishing Claims Are Not Covered By Computer Transfer Fraud Or Funds Transfer Coverage Provisions

A Mississippi federal district court ruled that losses stemming from wire transfers initiated by spoofed emails were not covered by Computer Transfer Fraud or Funds Transfer coverage provisions. *Miss. Silicon Holdings, LLC v. AXIS Ins. Co.*, 2020 WL 869974 (N.D. Miss. Feb. 21, 2020).

An employee of MSH, a manufacturing company, received an email purportedly from one of its suppliers, directing it to change banking information for future payments. In accordance with that email, the MSH employee electronically changed the information and initiated a wire transfer in the amount of $250,030. Another MSH employee authorized the transfer and following a confirmation call from the bank, a third MSH employee verbally authorized the transfer. A second payment of $775,851.13 was made, following the same three-step authorization process. Shortly thereafter, MSH discovered that the emails were fraudulent and that the funds had been sent to hackers' bank accounts. Axis Insurance paid MSH the $100,000 limit under a Social Engineering Fraud clause. MSH returned payment and filed suit, alleging it was entitled to coverage under the Computer Transfer Fraud and Funds Transfer provisions. The court granted Axis Insurance's summary

judgment motion, finding that neither provision encompassed the underlying claims.

The Computer Transfer Fraud provision covered loss "resulting directly from Computer Transfer Fraud that causes the transfer, payment or delivery of Covered Property . . . without the Insured Entity's knowledge or consent." Computer Transfer Fraud, in turn, was defined as "the fraudulent entry of Information into or the fraudulent alteration of any Information within a Computer System." The court ruled that the losses did not "result directly" from the fraudulent emails. The court explained that while the emails "set in motion a series of events which ultimately led to the loss," the affirmative conduct of the MSH employees was responsible for the account change and wire transfer.

In addition, the court ruled that there was no Computer Transfer Fraud coverage because the transfers did not occur without MSH's "knowledge or consent" given that three employees explicitly authorized and effectuated the wire transfers. The court rejected MSH's contention that coverage was intended to apply to transfers that were known to MSH, but made unwittingly, as the result of fraudulent information.

For the same reason, the court rejected coverage under the Funds Transfer Fraud provision, which included the same "without the Insured Entity's knowledge or consent" language. In refusing to interpret "knowledge or consent" phrase to implicitly require knowledge based on "true facts and circumstances," the court distinguished the Social Engineering Fraud provision, which expressly covered transfers made knowingly, but as the result of false information. That provision stated: "The Insurer will pay for loss resulting" from the payment or transfer of money by "an Employee acting in good faith reliance upon a telephone, written, or electronic instruction that purported to be a Transfer Instruction, but, in fact, was not issued by a Client, Employee or Vendor."

Indiana Court Of Appeals Rules That Computer Fraud Coverage Provision Does Not Encompass Losses From Ransomware Attack

Most decisions interpreting the scope of coverage under a Computer Fraud coverage provision have involved incidents of email phishing. In a recent decision, the Indiana Court of Appeals addressed the scope of Computer Fraud coverage available for losses stemming from a ransomware attack, concluding that such coverage was not available. *G&G Oil Co. of In. v. Cont'l W. Ins. Co.*, 2020 WL 1528095 (Ind. Ct. App. Mar. 31, 2020).

G&G was the victim of a ransomware attack that paralyzed its computer servers and workstations. The hacker demanded a ransom in exchange for passwords that would restore G&G's control over its computer system. After G&G paid the ransom, it submitted a claim to Continental seeking coverage for the attack and ensuing losses. Continental denied coverage, arguing that G&G had not purchased "Computer Virus and Hacking Coverage" and that the Computer Fraud coverage provision did not apply. The court agreed and granted Continental's summary judgment motion.

The Computer Fraud coverage provision is triggered by loss "resulting directly from the use of any computer to fraudulently cause a transfer of that property." The court ruled that G&G's transfer of the ransom payment was not "fraudulent," even though it was initiated by the hackers' illegal act. The court stated:

> Here, the hijacker did not use a computer to fraudulently cause G&G to purchase Bitcoin to pay as ransom. The hijacker did not pervert the truth or engage in deception in order to induce G&G to purchase the Bitcoin. Although the hijacker's actions were illegal, there was no deception involved in the hijacker's demands for ransom in exchange for restoring G&G's access to its computers.

Personal And Advertising Injury Alert:

Illinois Appellate Court Rules That Disclosure Of Fingerprint Scan To Third Party Is "Publication" For Purposes Of Personal Injury And Advertising Coverage

An Illinois appellate court ruled that allegations that the policyholder shared customers' fingerprint data with a single third-party vendor was a "publication" triggering a duty to defend under the Personal and Advertising Injury coverage provision. *W. Bend Mut. Ins. Co. v. Krishna Schaumburg Tan, Inc.*, 2020 WL 1330494 (Ill. Ct. App. Mar. 20, 2020).

A putative class action alleged that the policyholder violated the Biometric Information Privacy Act by sharing copies of customers' finger print scans with a third-party vendor without customer consent. West Bend sought a declaration that it had no duty to defend or indemnify the claims, arguing that the complaint did not allege covered Personal and Advertising Injury claims and that coverage was barred by a violation of statutes exclusion. An Illinois trial court disagreed and granted the policyholder's summary judgment motion, and the appellate court affirmed.

The Personal and Advertising Injury provision covered claims arising out of the "oral or written publication of material that violates a person's right to privacy." The central issue in dispute was whether the policyholder's disclosure of fingerprint scans to a single vendor satisfied the "publication" requirement. The court held that it did, rejecting West Bend's assertion that publication requires dissemination to the public at large.

Additionally, the court ruled that the violation of statutes exclusion did not bar coverage. The exclusion applied to injuries "arising directly or indirectly out of any action or omission that violates or is alleged to violate" the TCPA, CAN-SPAM Act of 2003, or "any statute, ordinance or regulation . . . that prohibits or limits the sending, transmitting, communication or distribution of material or information." West Bend argued that the exclusion applied because the Biometric Act provides that a private entity may not "disclose, redisclose or otherwise disseminate a person's or a customer's biometric identifier or biometric information." Rejecting this contention, the court held that the exclusion "is meant to bar coverage for the violation of a very limited type of statute." The court reasoned that the title of the exclusion—"Violation of Statutes That Govern E-Mails, Fax, Phone Calls or Other Method of Sending Material or Information"—makes it clear that the exclusion "applies to statues that govern certain *methods* of communication . . . not to other statutes that limit the sending or sharing of certain information."

Coverage Alert:

Second Circuit Asks New York Court Of Appeals To Decide Whether A Failure-To-Accommodate Discrimination Claim Is A Covered "Occurrence" Under General Liability Policy

The Second Circuit asked the New York Court of Appeals to address whether a general liability insurer must defend a discrimination suit alleging failure to accommodate—a question that turns on whether such discrimination can be a covered "occurrence." *Brooklyn Ctr. for Psychotherapy, Inc. v. Phila. Indem. Ins. Co.*, 2020 WL 1777211 (2d Cir. Apr. 9, 2020).

A hearing-impaired woman sued the Brooklyn Center for Psychotherapy for allegedly discriminating against her in violation of various city ordinances and state and federal statutes. Her complaint alleged that the Center refused to provide interpreter services, causing her humiliation and emotional distress. The Center's insurer refused to defend or indemnify the suit on the basis that it did not allege an "occurrence" under the policy. A New York district court granted the insurer's motion to dismiss, ruling that the complaint alleged only intentional acts that were not accidental "occurrences" for purposes of policy coverage. The Center appealed.

New York coverage case law has distinguished between discrimination claims that are based on intentional discrimination (which are intentional wrongs not covered by insurance) and discrimination claims based on disparate impact (which are potentially covered if based on unintentional behavior). In considering the Center's appeal, the Second Circuit noted the uncertainty regarding failure-to-accommodate claims. The Center argued that so long as it reasonably believed that hiring interpreters to accommodate the claimant's hearing disability would have been an undue hardship on its business, any harm resulting from that decision would be accidental and within the scope of coverage. Conversely, the insurer contended that the Center's refusal to accommodate was, itself, an intentional act, regardless of its reasons for doing so, and therefore not covered under the policy.

Noting the lack of precedent and the important public policy implications relating to this issue, the Second Circuit certified the following question to the New York Court of Appeals: "Must a general liability insurance carrier defend an insured in an action alleging discrimination under a failure-to-accommodate theory?"

Duty To Defend Alerts:

Texas Supreme Court Rejects Policy Language Exception To Eight-Corners Rule

Answering a question certified by the Fifth Circuit, the Texas Supreme Court rejected the contention that the eight-corners rule applies only if the policy includes language requiring the insurer to defend "all actions against its insured no matter if the allegations of the suit are groundless, false or fraudulent." *Richards v. State Farm Lloyds*, 2020 WL 1313782 (Tex. Mar. 20, 2020).

The dispute centered on whether State Farm was obligated to defend its insured against personal injury claims arising out of an ATV fatality. State Farm refused to defend, arguing that the claims were barred by a "motor vehicle exclusion" and an "insured exclusion" in a homeowner's policy. In seeking a declaratory judgment as to its defense obligations, State Farm submitted two documents: the police report from the accident and a court order from a suit involving the parental/guardian relationship between the deceased child and the grandparents that were supervising him at the time of the accident. A Texas federal district court considered those documents in finding no duty to defend, rejecting the policyholders' objections under the eight-corners rule. The district court reasoned that the eight-corners rule applied only to policies that explicitly require the insurer to defend all actions, even if "groundless, false or fraudulent." The court explained that the eight-corners rule did not apply because State Farm's policy did not include this language, and instead required State Farm to defend "if a claim is made or a suit is brought against an insured for damages because of bodily injury . . . to which this coverage applies."

The Texas Supreme Court rejected the assertion that the eight-corners rule applies only when the policy includes a groundless-claims clause. The court reasoned that case law did not support such a limitation, stating that "Texas courts of appeal have routinely applied the eight-corners rule for many decades, without regard to whether the policy contained a groundless-claims clause." The court noted that parties are free to contract around the eight-corners rule, so long as they do so with explicit language. However, the court ruled that merely omitting the words "groundless, false or fraudulent," or similar verbiage is insufficient to eliminate the eight-corners rule from the duty-to-defend analysis.

Eighth Circuit Rules That Insurer Must Defend Civil Rights Suit Based On Wrongful Imprisonment, Notwithstanding That Initial Events Occurred Before Policy Inception

The Eighth Circuit ruled that an insurer was obligated to defend a county against a civil rights lawsuit stemming from the arrest and imprisonment of an innocent man, notwithstanding that the murder and initial interrogation occurred before the policy incepted. *Argonaut Great Cent. Ins. Co. v. Lincoln Cty., Mo.*, 2020 WL 1264213 (8th Cir. Mar. 17, 2020).

On December 27, 2011, Russell Scott Faria's wife was murdered. Faria voluntarily went to the police station that day and spent more than forty hours there being questioned. He was released from custody on December 29, and then arrested on January 4, 2012. He remained in jail until his trial in November 2013, when he was convicted of murder and sentenced to life in prison. An appellate court granted Faria's motion for a new trial and in November 2015, he was retried and acquitted. In 2016, Faria sued Lincoln County, the district attorney and a police officer, alleging civil rights violations. Argonaut argued that it had no duty to defend the suit because the relevant conduct occurred prior to the policy's January 1, 2012 inception and because exclusions for malicious conduct barred coverage. A Missouri district court disagreed and granted the County's motion for judgment on the pleadings. The Eighth Circuit affirmed.

Under Missouri law, an insurable event occurs when the victim is first damaged. On this basis, Argonaut argued that the operative "occurrence" for coverage purposes was the murder and initial investigation, which occurred prior to the policy's inception. The court disagreed, finding that the harm first occurred when Faria was formally arrested in January 2012. The court acknowledged that one count of the complaint alleged a constitutional violation based on Faria's initial "seizure" in December 2011, but emphasized that the remaining counts all involved conduct that occurred in 2012, including the "most pertinent actions"—his arrest and murder charge.

In addition, the court ruled that the complaint alleged "covered wrongful acts" outside the scope of an exclusion relating to "dishonest, malicious, fraudulent or criminal acts . . . or a knowing violation of the law." Although the underlying complaint alleged numerous malicious acts and knowing violations of law, the court noted that it also alleged reckless and incompetent conduct.

Property Policy Alert:

Sixth Circuit Rules That Insurer May Not Deduct Cost Of Labor In Calculating Actual Cash Value

Last month's Alert reported on a North Carolina Supreme Court decision holding that an Actual Cash Value ("ACV") provision in a property policy was unambiguous and included depreciation of labor costs. This month, the Sixth Circuit, applying Ohio law, deemed an ACV provision ambiguous and interpreted it against the insurer, ruling that labor cost depreciation could not be considered in calculating ACV. *Perry v. Allstate Indem. Co.*, 2020 WL 1284960 (6th Cir. Mar. 18, 2020).

The property policy provided: "If you do not repair or replace the damaged, destroyed or stolen property, payment will be on an actual cash value basis. This means there may be a deduction for depreciation." The term "depreciation" was not defined. Allstate argued that depreciation applied to both material and labor, whereas the policyholder claimed that depreciation was ambiguous with respect to labor costs because depreciation typically refers to value lost as a result of physical wear and tear.

An Ohio district court ruled in the insurer's favor. The Sixth Circuit reversed, noting that there was "no clear answer from Ohio law on whether labor costs are depreciable in calculating ACV." The court therefore deemed the provision ambiguous and construed it in the policyholder's favor.

Arbitration Alert:

Two Courts Interpret Preemption Of Washington's Statutory Prohibition On Arbitration Of Insurance Disputes

The Ninth Circuit ruled that the Liability Risk Retention Act ("LRRA"), 15 U.S.C. § 3901, preempts Washington's anti-arbitration statute, as applied to a risk retention group chartered in another state and doing business in Washington. *Allied Prof'ls Ins. Co. v. Anglesey*, 2020 WL 1179772 (9th Cir. Mar. 12, 2020).

Allied Professionals, a risk retention group, is chartered in Arizona and does business in Washington. Allied Professionals insured a chiropractor who was sued by a former patient. Allied Professionals denied the claim and sought to rescind his policy based on alleged omissions in the application. A California district court granted Allied Professionals' motion to compel arbitration and the Ninth Circuit affirmed. The Ninth Circuit ruled that the LRRA, which supports the formation of risk retention groups, preempts Washington's anti-arbitration statute. The court held that there was no reverse preemption under the McCarran-Ferguson Act because the LRRA is "an exception to the McCarran-Ferguson Act's preference for state regulation of insurance."

Washington's prohibition on the arbitration of insurance disputes was also at issue in *Wash. Cities Ins. Auth. v. Ironshore Indem., Inc.*, 2020 WL 1083715 (W.D. Wash. Mar. 6, 2020). Washington Cities Insurance Authority ("WCIA"), a self-insured risk group, entered into reinsurance agreements with Ironshore. The agreements included an arbitration clause and a New York choice of law provision. When a dispute regarding Ironshore's reinsurance obligations arose, WCIA moved to void the arbitration and choice of law provisions and Ironshore moved to compel arbitration. The court granted WCIA's motion, ruling that both provisions were void.

As a preliminary matter, the court held that reinsurance qualifies as "insurance" for the purposes of applying Washington's anti-arbitration statute, which defines "insurance" as "a contract whereby one undertakes to indemnify another." In so ruling, the court noted that reinsurance was not explicitly exempted from the statute (as other types of insurance were). In addition, the court ruled that a separate, more specific provision governing the purchase of reinsurance by local government joint insurance programs did not operate as an exclusion to the anti-arbitration provision. That clause provided local government entities "maximum flexibility in self-insuring" but did not reference arbitration or authorize the inclusion of arbitration provisions in reinsurance contracts. The court therefore ruled that Washington's statutory prohibition on arbitration operated to void the arbitration clause.

Coronavirus Alert:

Pennsylvania Supreme Court Upholds Governor's Executive Order, Deeming COVID A "Natural Disaster" Under State Emergency Statute

The Pennsylvania Supreme Court upheld an executive order requiring the closure of all nonlife-sustaining businesses, ruling that the COVID pandemic is a "natural disaster," as defined by the relevant state Emergency Code. *Friends of Danny DeVito v. Tom Wolf, Governor*, 2020 WL 1847100 (Pa. Apr. 13, 2020).

Several businesses sought to invalidate the March 16 Executive Order issued by Pennsylvania Governor Tom Wolf on statutory and constitutional grounds. The Pennsylvania Supreme Court observed that the Governor has "broad powers" under the Emergency Code to limit movement and occupancy within the state as a result of a

natural disaster. The Code defines "natural disaster," in part, as: "Any hurricane, tornado, storm, flood, high water, wind-driven water, tidal wave, earthquake, landslide, mudslide, snowstorm, drought, fire, explosion or other catastrophe which results in substantial damage to property, hardship, suffering or possible loss of life." The court concluded that the COVID pandemic falls within the scope of this definition, emphasizing that "hardship, suffering [and] possible loss of life" have resulted from the virus. In so ruling, the court rejected the plaintiffs' assertion that the COVID pandemic is not a "natural disaster" under the Code because viral illness is not included in the list of triggering events and is not of the same type or kind of catastrophe as those listed in the Code.

The Court also rejected the business owners' argument that even if the pandemic is a natural disaster under the Code, the Governor was authorized only to act in "disaster areas" and improperly closed down businesses in non-disaster areas. The court reasoned that all counties in which the businesses operated had reported COVID cases, and that in any event, given the rapid transmission of the virus, that any location where two or more people can congregate is within the disaster area.

Policyholders' attorneys have begun to argue that *Friends of Danny DeVito* lends support to the assertion that COVID-related losses were caused by "physical loss or damage" for insurance coverage purposes (akin to weather-related natural disasters). It should be noted that the Court's ruling turns on specific language in Pennsylvania's Emergency Code, which does not include a physical loss or damage requirement, as is the case for many common business interruption and civil authority coverage provisions of property insurance policies.

Visit The Firm's COVID-19 Resource Center

As the coronavirus spreads across the globe, we continue to monitor the impacts on businesses, financial markets, and international trade and commerce. In this climate, our clients are facing a number of legal issues related to the outbreak and resulting business disruptions. To help you stay informed, we provide guidance on our Coronavirus (COVID-19) Resource Center for management teams and boards of directors in navigating this crisis. We will continue to update the page with key developments and insights that affect your business and the health and safety of your employees. To learn more, or to read a recent article titled "COVID-19 and Insurance Coverage: Limitations on Civil Authority Provisions," please click here.

STB News Alerts:

Mary Beth Forshaw, Bryce Friedman and Karen Cestari authored an article titled, *Simpson Thacher Discusses COVID-19 and Insurance Coverage*, which was published by Columbia Law School's Blue Sky Blog. The article discusses the insurance implications, particularly under business interruption provisions, of the COVID-related business closures and financial losses.

Bryce Friedman and Karen Cestari authored an article titled, *Email Phishing Scams And Computer Fraud Coverage: Causation Is Key*, which was published by Mealey's *Emerging Insurance Disputes*. The article discusses how email phishing scams have become an increasingly common means for hackers to fraudulently obtain funds from companies, and addresses the scope of insurance coverage for such incidents.

Simpson Thacher

Simpson Thacher has been an international leader in the practice of insurance and reinsurance law for more than a quarter of a century. Our insurance litigation team practices worldwide.

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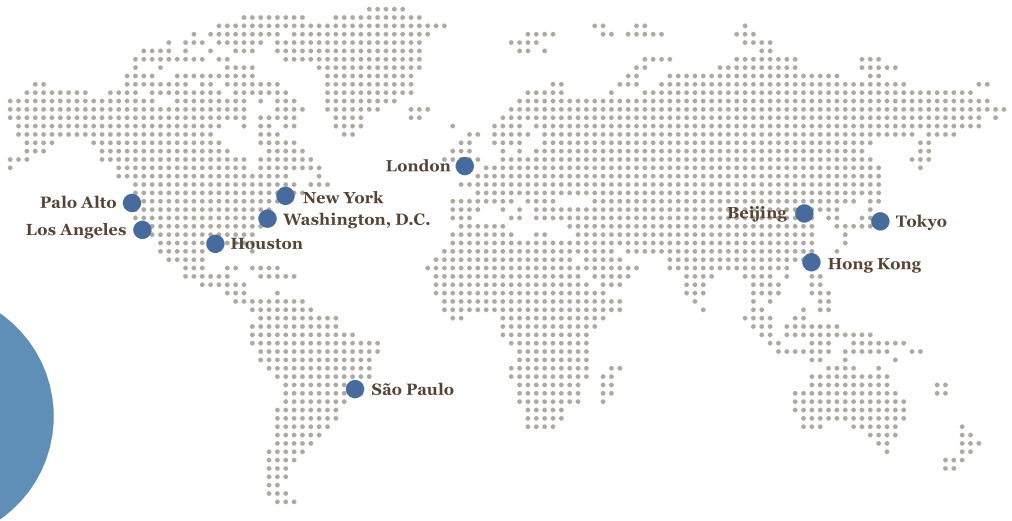

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