

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT**

HARVEY B. PATS, M.D. P.A.,

Plaintiff,

v.

THE HARTFORD FIRE INSURANCE
COMPANY, HARTFORD FINANCIAL
SERVICES GROUP and COMMERCIAL
INLAND MARINE HARTFORD FIRE
INSURANCE COMPANY,

Defendants.

FIRST AMENDED COMPLAINT

JURY TRIAL DEMANDED

3:20-cv-00697

Plaintiff Harvey B. Pats M.D., P.A. (“Plaintiff” and “Pats M.D.”) brings this First Amended Complaint, alleging relief against Defendants The Hartford Fire Insurance Company (“Hartford”), Hartford Financial Services Group Inc. (“Hartford Financial”) and Commercial Inland Marine Hartford Fire Insurance Company (“Marine”) and avers as follows:

NATURE OF THE CASE

1. This is a civil action seeking declaratory relief arising from Plaintiff’s contract of insurance with the Defendants.
2. In light of the global coronavirus disease 2019 (“COVID-19”) pandemic and state and local government orders (“Civil Authority Orders”) mandating that all non-essential in-store businesses must shut down on March 23, 2020, Plaintiffs medical practice has suffered business loss.

3. Plaintiff's insurance policy provides coverage for all non-excluded business losses, and thus provide coverage here.

4. As a result, Plaintiff is entitled to declaratory relief that its business is covered for all business losses that have been incurred in an amount greater than \$150,000.00.

JURISDICTION

5. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1332. There is complete diversity of citizenship between Plaintiff, a Maryland citizen with its principal place of business in Maryland, and the Defendants, who are incorporated in Connecticut with their principal place of business and headquarters in Connecticut. Further, the amount in controversy necessary for diversity jurisdiction over a declaratory judgment action is measured by the value of the alleged business losses. *Id.* § 1332(a). Plaintiff has suffered business losses in an amount greater than \$150,000.00.

6. This Court has personal jurisdiction over Defendants Hartford, Hartford Financial and Marine. Defendants' headquarters and principal place of business are located within the State of Connecticut. Defendants are subject to general personal jurisdiction of this Court.

7. Venue is proper in this district pursuant to 28 U.S.C. § 1391(b)(1) because Defendants are residents of this District, because Defendants transact business in this District and because a substantial part of the events giving rise to this claim, including drafting of Defendants' insurance policy language, occurred in this District.

PARTIES

8. Plaintiff Pats M.D. owns and operates a medical practice in the State of Maryland. Plaintiff's principal place of business is at 2 Colgate Drive, Suite 201, Forest Hill, Maryland 21050 ("Insured Property"). Plaintiff Pats M.D. is a citizen of Maryland.

9. Defendant Hartford is an insurance carrier that provides business interruption insurance to Plaintiffs. Hartford is headquartered at 1 Hartford Plaza, Hartford, Connecticut 06155. Defendant Hartford is a citizen of Connecticut.

10. Defendant Hartford Financial is an insurance carrier who is the parent corporation to Defendants Hartford and Marine. It is headquartered at 1 Hartford Plaza Hartford, Connecticut 06155. Defendant Hartford Financial is a citizen of Connecticut.

11. Defendant Marine underwrote the insurance provided to Plaintiffs and is headquartered at 1 Hartford Plaza, Hartford, Connecticut 06155. Defendant Marine is a citizen of Connecticut.

12. At all relevant times, Defendants issued an insurance policy to Plaintiff (policy number 30 SBA DS2520) that includes coverage for business interruption losses incurred by Plaintiffs from July 15, 2019 through July 15, 2020 ("Policy"). See portion of the Policy, attached hereto as Exhibit 1.

13. The Policy, currently in full effect, includes coverage for, among other things, business personal property, business income, special business income, and professional business income loss.

14. Plaintiff submitted a claim with a date of loss of March 9, 2020 to Defendants. Defendants denied coverage. Defendants assert, *inter alia*, that Plaintiff did not suffer physical damage to its property directly and stating other reasons why Plaintiff is not purportedly entitled to coverage for the losses and damages claimed. Defendants' denial of Plaintiff's claim relied in part on the Virus Exclusion Clause.

FACTUAL BACKGROUND

I. Insurance Coverage

15. Plaintiff faithfully paid policy premiums to Defendants, specifically to provide, among other things, additional coverages in the event of business interruption or closures by order of Civil Authority and for business loss for property damage.

16. The terms of the Policy explicitly provide for insurance coverage for actual loss of business income Plaintiff sustains, along with any actual, necessary and reasonable extra expenses incurred, when access to the Insured Property is specifically prohibited by order of civil authority. This additional coverage is identified as coverage under "Civil Authority."

17. The Policy is an all-risk policy, insofar as it provides that covered causes of loss under the policy provides coverage for all covered losses, including but not limited to direct physical loss and/or direct physical damage, unless a loss is specifically excluded or limited in the Policy.

18. The Policy also provides coverage for damages resulting from business interruption when there is property damage.

19. Defendants provide for a Virus Exclusion under the policy. The exclusion for viruses does not apply to this pandemic.

20. Nonetheless, based on information and belief, Defendants have accepted Plaintiff's policy premiums with no intention of providing any coverage for business losses or the Civil Authority extension due to a loss and shutdown and property damage.

II. The Coronavirus 2-10 Pandemic

21. The scientific community, and those personally affected by the virus, recognize COVID-19 as a cause of real physical loss and damage. It is clear that contamination of the Insured Property would be a direct physical loss requiring remediation to clean the premises and all related equipment.

22. On information and belief, the virus that causes COVID-19 remains stable and transmittable in airborne aerosols for up to three hours, up to four hours on copper, up to 24 hours on cardboard and up to two to three days on plastic and stainless steel. *See* <https://www.nih.gov/news-events/news-releases/new-coronavirus-stable-hours-surfaces> (last visited April 9, 2020).

23. The CDC has issued a guidance recommending that gatherings of more than 10 people must not occur. People in congregate environments, which are places where people live, eat, and sleep in proximity, face increased danger of contracting COVID-19.

24. The global COVID-19 pandemic is exacerbated by the fact that the deadly virus physically infects and stays on surfaces of objects or materials, “fomites,” for up to twenty-eight (28) days.

25. China, Italy, France, and Spain have implemented procedures requiring the cleaning and fumigating of public areas prior to allowing them to re-open publicly due to the intrusion of microbials.

III. Civil Authority

26. On March 5, 2020, the State of Maryland issued a State of Emergency as a result of the COVID-19 pandemic.

27. On March 16, 2020, the State of Maryland issued an order recommending avoiding crowds in excess of 50 people. The order also closed restaurants, bars and gyms. On March 18, 2020 the order was updated to ban gatherings of over 10 people.

28. On March 23, 2020, the State of Maryland issue an order closing all non-essential businesses.

29. On March 30, 2020, the State of Maryland issues a stay at home order for the entire state.

30. The above Orders largely remain in effect to this date.

31. As a direct consequence of the stay at home orders for public safety issued by the State of Maryland, Plaintiff’s medical practice has been unable to operate for emergency care.

Accordingly, Plaintiff has been unable to treat patients for treatment which is not considered an emergency by the state.

32. Further, on April 10, 2020, President Trump seemed to support insurance coverage for business loss like that suffered by Plaintiff.

REPORTER: Mr. President may I ask you about credit and debt as well. Many American individuals, families, have had to tap their credit cards during this period. And businesses have had to draw down their credit lines. Are you concerned Mr. President that that may hobble the U.S. economy, all that debt number one? And number two, would you suggest to credit card companies to reduce their fees during this time?

PRESIDENT TRUMP: Well it's something that we've already suggested, we're talking to them. ***Business interruption insurance***, I'd like to see these insurance companies—you know you have people that have paid. When I was in private, I had business interruption. When my business was interrupted through a hurricane or whatever it may be, I'd have business where I had it, I didn't always have it, sometimes I had it, sometimes, I had a lot of different companies. *But if I had it I'd expect to be paid*. You have people. I speak mostly to the restaurateurs, where they have a restaurant, they've been paying for 25, 30, 35 years, business interruption. They've never needed it. All of a sudden they need it. And I'm very good at reading language. I did very well in these subjects, OK. And I don't see the word pandemic mentioned. Now in some cases it is, it's an exclusion. But in a lot of cases I don't see it. I don't see it referenced. And they don't want to pay up. I would like to see the insurance companies pay if they need to pay, if it's fair. And they know what's fair, and I know what's fair, I can tell you very quickly. But business interruption insurance, that's getting a lot money to a lot of people. And they've been paying for years, sometimes they just started paying, but you have people that have never asked for business interruption insurance, and they've been paying a lot of money for a lot of years for the privilege of having it, and then when

they finally need it, the insurance company says ‘we’re not going to give it.’ We can’t let that happen.

<https://youtu.be/cMeG5C9TjU> (last visited on April 17, 2020) (emphasis added).

33. The President is articulating a few core points:
 - a. Business interruption is a common type of insurance.
 - b. Businesses pay in premiums for this coverage and should reasonably expect they’ll receive the benefit of the coverage.
 - c. The COVID-19 pandemic should be covered unless there is a specific exclusion for “pandemics.”
 - d. If insurers deny business loss coverage due to the COVID-19 pandemic, they would be acting in bad faith.

34. The Government Authority Orders and proclamations, as they relate to the closure of all “non-life- sustaining businesses,” evidence an awareness on the part of both state and local governments that COVID-19 causes damage to property. This is particularly true for businesses such as Plaintiffs, where customer or client interaction and personal contact results in a heightened risk of the property becoming contaminated.

IV. Impact on Plaintiff

35. As a result of the Civil Authority Orders referenced herein, Plaintiff was required to shut its doors and cease operation of its medical practice.

36. Plaintiff’s business losses occurred when the State of Maryland issued its March 23, 2020 Order, directing all “non-essential” businesses to cease operations at physical locations and prohibiting the gatherings of “non-essential” individuals.

37. Prior to March 23, 2020, Plaintiffs' practice was open. Plaintiff's practice is not a closed environment, and people – staff, customers, community members, and others – constantly cycle in and out of the practice. Accordingly, there is an ever-present risk that the Insured Property are contaminated and would continue to be contaminated.

38. Businesses like Plaintiff's medical practice is also more susceptible to being or becoming contaminated, as both respiratory droplets and fomites are more likely to be retained on the Insured Property and remain viable for far longer.

39. Plaintiff's business is also highly susceptible to rapid person-to-property transmission of the COVID-19 virus, and vice-versa, because the service nature of the business places staff and customers in close proximity to business property and to one another and because the nature of the school's activities results in high level of respiratory droplets and fomites being released into the business property's air .

40. The virus is physically impacting Plaintiff. Any effort by Defendants to deny the reality that the virus has caused Plaintiff physical losses and damage would constitute a false and potentially fraudulent misrepresentation that could endanger the Plaintiff and the public.

41. A declaratory judgment determining that the coverage provided under the Policy exists and is necessary so as to prevent the Plaintiff from being left without bargained-for insurance coverage required to ensure the survival of the medical practice during and after the shutdown of the business caused by the Civil Authority Orders. As a result of these Orders, Plaintiff has

incurred, and continues to incur, among other things, a substantial loss of business income and additional expenses, which losses are covered under the terms of the Policy.

CAUSE OF ACTION

DECLARATORY RELIEF

42. Plaintiff re-alleges and incorporate by reference into this cause of action each allegation set forth in each and every paragraph of this Complaint.

43. The Declaratory Judgment Act, 28 U.S.C. § 2201(a), provides that in “a case of actual controversy within its jurisdiction . . . any court of the United States . . . may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought.” 28 U.S.C. § 2201(a).

44. An actual controversy has arisen between Plaintiff and the Defendants as to the rights, duties, responsibilities and obligations of the parties under the terms of the Policy in that Plaintiff contends, and on information and belief, the Defendants dispute and deny, that:

- a. The Civil Authority Orders constitute a prohibition of access to Plaintiff’s Insured Property;
- b. The prohibition of access by the Orders has specifically prohibited access as defined in the Policy;
- c. The Policy’s Exclusion of Loss Due to Virus or Bacteria does not apply to the business losses incurred by Plaintiffs here that are proximately caused by the Civil Authority Orders issued in response to the COVID-19 pandemic.
- d. The Orders trigger coverage under the terms of the Policy;

- e. The Policy provides coverage to Plaintiffs for any current and future civil authority closures of its business in Maryland due to physical loss\or damage directly or indirectly from the COVID-19 under the Civil Authority coverage parameters;
- f. The Policy provides business income coverage in the event that COVID-19 has directly or indirectly caused a loss or damage at the insured premises or immediate area of the Insured Property; and
- g. Resolution of the duties, responsibilities and obligation of the parties is necessary as no adequate remedy at law exists and a declaration of the Court is needed to resolve the dispute and controversy.

45. Plaintiff seeks a Declaratory Judgment to determine whether the Orders constitute a prohibition of access to Plaintiffs' Insured Property as Civil Authority as defined in the Policy.

46. Plaintiff further seeks a Declaratory Judgment to affirm that the Order triggers coverage.

47. Plaintiff further seeks a Declaratory Judgment to affirm that the Policy provides coverage to Plaintiff for any current and future loss of Business Income sustained and any Extra Expense incurred as a result of Civil Authority orders requiring closures of insured businesses property in the State of Maryland due to physical loss or damage caused by COVID-19.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff herein prays as follows:

- a. For a declaration that the Civil Authority Orders constitute a prohibition of access to Plaintiffs' Insured Property.
- b. For a declaration that the prohibition of access by the Civil Authority Orders constitutes they type of prohibited access as defined in the Policy.
- c. For a declaration that the Civil Authority Orders trigger coverage under the Policy.
- d. For a declaration that the Policy provides coverage to Plaintiff for any current, future and continued Civil Authority closures of its businesses in Maryland due to physical loss or damage directly or indirectly from COVID-19 under the Civil Authority coverage parameters.
- e. For a declaration that the Policy provides business income coverage in the event that COVID-19 has directly or indirectly caused a loss or damage at the Plaintiffs' Insured Property or the immediate area of the Plaintiff's Insured Property.
- f. For such other relief as the Court may deem proper.

TRIAL BY JURY IS DEMANDED

Plaintiff hereby demands trial by jury.

Dated: May 26, 2020

Respectfully submitted,
/s/ Neal Moskow
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Counsel for Plaintiffs

EXHIBIT 1



THE HARTFORD
CAT CLAIM OFFICE
P.O. BOX 14266
LEXINGTON KY 40512

April 13, 2020

SP 01 006492 44413 H 24 BSNGLP



HARVEY B. PATS, M.D., P.A. & DR. H. PATS NEUROLOGICAL T
P. O. BOX 97302808 EAGLE COURT
BALDWIN MD 21013

Re: Insured: HARVEY B. PATS, M.D., P.A. & DR. H. PATS NEUROLOGICAL T
Claimant: HARVEY B. PATS, M.D., P.A. & DR. H. PATS NEUROLOGICAL T
Date of Loss: March 9, 2020
Event Number: CP0018696850
Claim Number: Y93 F 55235

Dear Harvey Pats on behalf of HARVEY B. PATS, M.D., P.A. & DR. H. PATS NEUROLOGICAL T:

We have completed a review of your loss and have determined that since the coronavirus did not cause property damage at your place of business or in the immediate area, this business income loss is not covered. Even if the virus did cause damage, it is excluded from the policy, and the limited coverage available for losses caused by virus does not apply to the facts of your loss.

As we understand the facts, you are suffering from a loss of business income because you, or a business you depend on, have had to close or limit your business to help prevent the spread of COVID-19, the disease caused by the novel coronavirus.

For more details on how we came to this decision, please see the information on the following pages. It lists the relevant portions of your insurance policy and explains how they apply to your situation.

If you believe there are additional facts Hartford should consider, please let us know, and we will reopen your claim.

We know this virus has led to unprecedented circumstances and care very much about the wellbeing of all our customers. For more on possible government support for small business at this time, you might like to visit <https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources>.

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If you have any questions, please feel free to contact me at the telephone number listed below.

The foregoing should not be construed as a waiver of any of Hartford's rights and defenses under your policy number, and Hartford specifically reserves its right to modify or supplement this review of coverage based upon any additional information which it may obtain and/or any other grounds which may appear.

Sincerely,

Beth Leonard

Beth Leonard
ASR
Toll Free Number: (317) 249 - 3455
beth.leonard@thehartford.com

Writing Company Name: Hartford Fire Insurance Company

CC: RCM&D INC/PHS via U.S.Mail

CC: Agent

COVERAGE DECISION DETAILS

We are basing this determination on the following policy language found within the Special Property Coverage Form (SS 00 07 07 05), made part of your policy, which states, in part, as follows:

A. COVERAGE

We will pay for direct physical loss of or physical damage to Covered Property at the premises described in the Declarations (also called "scheduled premises" in this policy) caused by or resulting from a Covered Cause of Loss.

3. Covered Causes of Loss

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

- a. Excluded in Section B., **EXCLUSIONS**; or
- b. Limited in Paragraph A.4. Limitations; that follow.

This property policy protects your business personal property and/or building against risks of direct physical loss or damage at your Scheduled Premises. You have not identified any direct physical loss to any property at a scheduled premises.

The Additional Coverages section of the Special Property Coverage Form (SS 00 07 07 05) also provides as follows:

5. Additional Coverages

o. Business Income

- (1) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". *The suspension must be caused by direct physical loss of or physical damage to property at the "scheduled premises" [emphasis added], including personal property in the open (or in a vehicle) within 1,000 feet of the "scheduled premises", caused by or resulting from a Covered Cause of Loss.*
- (2) With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the "scheduled premises" are located, your "scheduled premises" also means:
 - (a) The portion of the building which you rent, lease or occupy; and
 - (b) Any area within the building or on the site at which the "scheduled premises" are located, but only if that area services, or is used to gain access to, the "scheduled premises".
- (3) We will only pay for loss of Business Income that occurs within 12 consecutive months after the date of direct physical loss or physical damage.

This Additional Coverage is not subject to the Limits of Insurance.

- (5) With respect to the coverage provided in this Additional Coverage, suspension means:
 - (a) The partial slowdown or complete cessation of your business activities; or
 - (b) That part or all of the "scheduled premises" is rendered untenable as a result of a Covered Cause of Loss if coverage for Business Income applies to the policy.

The Business Income coverage is not provided for your claim because there has been no physical loss or damage caused by or resulting from a Covered Cause of Loss to property at a scheduled premises.

The Additional Coverages section of the Special Property Coverage Form (SS 00 07 07 05) also provides as follows:

q. Civil Authority

- (1) This insurance is extended to apply to the actual loss of Business Income you sustain when access to your "scheduled premises" is specifically prohibited by order of a civil authority as *the direct result of a Covered Cause of Loss to property in the immediate area of your "scheduled premises" [emphasis added].*
- (2) The coverage for Business Income will begin 72 hours after the order of a civil authority and coverage will end at the earlier of:
 - (a) When access is permitted to your "scheduled premises"; or
 - (b) 30 consecutive days after the order of the civil authority.

"Scheduled Premises" means any premises listed by location address in the Scheduled Premises section of the Declarations.



We have no information to indicate that a civil authority issued an order as a direct result of a covered cause of loss to property in the immediate area of your scheduled premises; accordingly, this additional coverage is not available for your claimed loss of business income. If you believe there is an order of a civil authority as the result of a Covered Cause of Loss to property in your immediate area, please immediately send it to my attention for review.

The Additional Coverages section of the Special Property Coverage Form (SS 00 07 07 05) also provides as follows:

s. Business Income from Dependent Properties

(1) We will pay for the actual loss of Business Income you sustain due to direct physical loss or physical damage at the premises of a dependent property caused by or resulting from a Covered Cause of Loss.

The most we will pay under this Additional Coverage is \$5,000 in any one occurrence unless a higher Limit of Insurance is indicated in the Declarations.

(4) Dependent Property means property owned, leased or operated by others whom you depend on to:

(a) Deliver materials or services to you or to others for your account. But services do not include:

- (i) Water, communication, power services or any other utility services; or
- (ii) Any type of web site, or Internet service.

(b) Accept your products or services;

(c) Manufacture your products for delivery to your customers under contract for sale; or

(d) Attract customers to your business premises.

The dependent property must be located in the coverage territory⁽²⁾ of this policy.

(5) The coverage period for Business Income under this Additional Coverage:

(a) Begins 72 hours after the time of direct physical loss or physical damage caused by or resulting from a Covered Cause of Loss at the premises of the dependent property; and

(b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(6) The Business Income coverage period, as stated in Paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:

(a) Regulates the construction, use or repair, or requires the tearing down of any property; or

(b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants."

(7) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income from Dependent Properties Additional Coverage

To the extent you are making a claim for loss of business income from a dependent property, no direct physical loss or damage caused by or resulting from a Covered Cause of Loss has occurred at a Dependent Property. Accordingly, there is no coverage for your claim under this coverage part.

We note that your policy also contains the following potentially applicable exclusion:

B. EXCLUSIONS

2. We will not pay for physical loss or physical damage caused by or resulting from⁽²⁾:

i. **Pollution:** We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants and contaminants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss." But if physical loss or physical damage by the "specified causes of loss" results, we will pay for the resulting physical loss or physical damage caused by the "specified cause of loss."

²Coverage for Business Income from Dependent Property would be further denied if it were determined that the dependent property is outside of the coverage territory, which is the United States (including its territories and possessions), Puerto Rico, and Canada.

³Your policy may be amended to read "We will not pay for loss or damage caused by or resulting from..."

The policy also contains the following definitions:

G. PROPERTY DEFINITIONS

15. "Pollutants and Contaminants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, or any other material which causes or threatens to cause physical loss, physical damage, impurity to property, unwholesomeness, undesirability, loss of marketability, loss of use of property, or which threatens human health or welfare. Waste includes materials to be recycled, reconditioned or reclaimed.

19. "Specified Cause of Loss" means the following:

Fire; lightning; explosion, windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking or cracking of any part of a system or appliance containing water or steam.

The coronavirus is understood to be an irritant or contaminant which causes or threatens to cause physical impurity, unwholesomeness and threatens human health or welfare. Further, the virus was not caused by a "Specified Cause of Loss". Accordingly, even if coverage were otherwise available for loss caused by coronavirus, the pollution exclusion could further bar coverage for the loss.

We note that your policy also contains the following potentially applicable exclusion:

B. EXCLUSIONS

2. We will not pay for physical loss or physical damage caused by or resulting from⁽⁴⁾:
a. **Consequential Losses**; Delay, loss of use or loss of market.

To the extent you are claiming physical loss or physical damage caused by loss of use or loss of market, coverage would be precluded based on the exclusion above.

Section B. Exclusions also provides as follows:

3. We will not pay for loss or damage caused by or resulting from any of the following. But if physical loss or physical damage by a Covered Cause of Loss results, we will pay for that resulting physical loss or damage.

b. **Acts or Decisions**: Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

Based on the exclusion cited above, we will not pay for loss or damage caused by or resulting from the decision of a person, group, organization or governmental body.

Lastly, your policy also includes a Limited Fungi, Bacteria or Virus Coverage endorsement (SS 40 93 07 05), which provides as follows:

A. Fungi, Bacteria or Virus Exclusions:

2. The following exclusion is added to Paragraph B.1. Exclusions of the Standard Property Coverage Form and the Special Property Coverage Form...:

i. "Fungi", Wet Rot, Dry Rot, Bacteria And Virus

We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

⁴Your policy may be amended to read "We will not pay for loss or damage caused by or resulting from..."



(1) Presence, growth, proliferation, spread or any activity of "fungi", wet rot, dry rot, bacteria or virus.

(2) But if "fungi", wet rot, dry rot, bacteria or virus results in a "specified cause of loss" to Covered Property, we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

(1) When "fungi", wet or dry rot, bacteria or virus results from fire or lightning; or

(2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage for "Fungi", Wet Rot, Dry Rot, Bacteria and Virus with respect to loss or damage by a cause of loss other than fire or lightning.

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

Based on the exclusionary language above, we will not pay for loss or damage caused directly or indirectly by presence, growth, proliferation, spread or any activity of virus unless the virus results in a "specified cause of loss" (see definition cited earlier in this letter). As we understand your loss, the virus has not resulted in a specified cause of loss and there is no coverage for you claim based on the exclusion for virus.

The Limited Fungi, Bacteria or Virus Coverage endorsement (SS 40 93 07 05) also provides as follows:

B. The following Additional Coverage is added to Paragraph **A.4.** of the Standard Property Coverage Form or Paragraph **A.5.** of the Special Property Coverage Form, and applies to the optional coverage form SS 04 41, Computers and Media and SS 04 45, Personal Property of Others Form:

1. Limited Coverage For "Fungi", Wet Rot, Dry Rot, Bacteria and Virus

a. The coverage described in 1.b. below only applies when the "fungi", wet or dry rot, bacteria or virus is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

(1) A "specified cause of loss" other than fire or lightning;

(2) Equipment Breakdown Accident occurs to Equipment Breakdown Property, if Equipment Breakdown applies to the affected premises.

b. We will pay for loss or damage by "fungi", wet rot, dry rot, bacteria and virus. As used in this Limited Coverage, the term loss or damage means:

(1) Direct physical loss or direct physical damage to Covered Property caused by "fungi", wet rot, dry rot, bacteria or virus, including the cost of removal of the "fungi", wet rot, dry rot, bacteria or virus;

(2) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot, dry rot, bacteria or virus; and

(3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot, dry rot, bacteria or virus are present.

c. Unless a higher Limit of Insurance is shown in the Declarations for Limited "Fungi", Bacteria or Virus Coverage, the coverage described under this Limited Coverage is No more than the Limit of Insurance stated in the Declarations for Building and Business Personal Property, but not greater than \$50,000.

As we understand your loss, the virus did not result from a specified cause of loss; therefore, there is no coverage for your claim based on the limited coverage for virus.



Report a Commercial Property Business Interruption Claim

Thank you for submitting your claim.

If no additional information is needed, you will receive a response in writing within 7-10 business days. If we need any additional information, you will receive a call within 5 business days. We understand how challenging these extraordinary times are for our customers and are doing our utmost to deliver exceptional service.

Claim Details Submitted

Policy Number	30SBADS2520
Company Name	Harvey B. Pats, M.D.P.A.
Company Address	2 Colgate Drive Suite 201 Forest Hill, MD 21050
Your Name	Harvey Pats
Your Email Address	hpats@prodigy.net
Your Phone Number	410-917-1800
Relationship to Insured	Insured
Loss State	Maryland
Loss Date	3/9/20
Have your operating costs gone up because of COVID-19?	No
Is your business closed or is the normal operation of your business suspended for reasons related to COVID-19?	Yes, Operations partially suspended
Have you confirmed the presence of an individual with COVID-19 at your premises?	No
Are you suffering from a loss of business income because you have had to close or limit your business as a result of an order?	Yes, my business is closed or limited due to a broad order limiting or directing the closure of businesses like mine
Are your operations impacted because a business that you depend on to deliver or receive goods or services was impacted by COVID-19?	Yes, a premises owned by others that my business depends on is not operational, but I do not believe they have confirmed any individual with COVID-19 on premises

Apr 30 20 08:25p

Harvey B. Pats

Please know that we're here to keep you informed. Visit **our COVID-19 resource center** (<https://www.thehartford.com/coronavirus>) to learn more about The Hartford's response to the situation. For the latest information about symptoms, prevention, treatment and other facts visit the **Centers for Disease Control and Prevention (CDC)* website** (<https://cdc.gov/coronavirus/>) and the **World Health Organization (WHO) website** (<https://www.who.int/emergencies/diseases/novel-coronavirus-2019>).

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POLICY NUMBER: 30 SBA DS2520



THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

03230

*3100230DS25200120

SCHEDULE

Terrorism Premium:

\$ 9.00

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, as amended (TRIA), we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for "certified acts of terrorism" under TRIA. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement.

B. The following definition is added with respect to the provisions of this endorsement:

1. A "certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of TRIA, to be an act of terrorism under TRIA. The criteria contained in TRIA for a "certified act of terrorism" include the following:
 - a. The act results in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to TRIA; and
 - b. The act results in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of an United States mission; and
 - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the

United States or to influence the policy or affect the conduct of the United States Government by coercion

C. Disclosure Of Federal Share Of Terrorism Losses

The United States Department of the Treasury will reimburse insurers for a portion of insured losses, as indicated in the table below, attributable to "certified acts of terrorism" under TRIA that exceeds the applicable insurer deductible:

Calendar Year	Federal Share of Terrorism Losses
2015	85%
2016	84%
2017	83%
2018	82%
2019	81%
2020 or later	80%

However, if aggregate industry insured losses under TRIA exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. The United States government has not charged any premium for their participation in covering terrorism losses.

D. Cap On Insurer Liability for Terrorism Losses

If aggregate industry insured losses attributable to "certified acts of terrorism" under TRIA exceed \$100 billion in a calendar year and we have met, or will meet, our insurer deductible under TRIA, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case, your coverage for terrorism losses may be reduced on a pro-rata basis in accordance with procedures established by the Treasury, based on its estimates of aggregate industry losses and our estimate that we will exceed our insurer deductible. In accordance with the Treasury's procedures, amounts paid for losses may be subject to further adjustments based on differences between actual losses and estimates.

E. Application of Other Exclusions

The terms and limitations of any terrorism exclusion, the inapplicability or omission of a terrorism exclusion, or the inclusion of terrorism coverage, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, Coverage Part or Policy.

F. All other terms and conditions remain the same.



IMPORTANT NOTICE TO POLICYHOLDERS

To help your insurance keep pace with increasing costs, we have increased your amount of insurance . . . giving you better protection in case of either a partial, or total loss to your property.

If you feel the new amount is not the proper one, please contact your agent or broker.

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Apr 30 20 08:27p

Harvey B. Pats

4106925000

20 This **Spectrum Policy** consists of the Declarations, Coverage Forms, Common Policy Conditions and any
25 other Forms and Endorsements issued to be a part of the Policy. This insurance is provided by the stock
DS insurance company of The Hartford Insurance Group shown below.
SBA

INSURER: HARTFORD FIRE INSURANCE COMPANY
ONE HARTFORD PLAZA, HARTFORD, CONNECTICUT 06155
COMPANY CODE: 1

Policy Number: 30 SBA DS2520 DV



SPECTRUM POLICY DECLARATIONS

ORIGINAL

Named Insured and Mailing Address: HARVEY B. PATS, M.D., P.A. &
(No., Street, Town, State, Zip Code) DR. H. PATS NEUROLOGICAL TEST
P. O. BOX 97302808 EAGLE COURT
BALDWIN MD 21013

Policy Period: From 07/15/19 To 07/15/20 1 YEAR
12:01 a.m., Standard time at your mailing address shown above. **Exception:** 12 noon in New Hampshire.

Name of Agent/Broker: RCM&D INC/PHS
Code: 721113

Previous Policy Number: 30 SBA DS2520

Named Insured is: INDIVIDUAL

Audit Period: NON-AUDITABLE

Type of Property Coverage: SPECIAL

Insurance Provided: In return for the payment of the premium and subject to all of the terms of this policy, we agree with you to provide insurance as stated in this policy.

TOTAL ANNUAL PREMIUM IS: \$500 MP
IN RECOGNITION OF THE MULTIPLE COVERAGES INSURED WITH THE HARTFORD, YOUR
POLICY PREMIUM INCLUDES AN ACCOUNT CREDIT.

Suean L. Castaneda

Countersigned by

Authorized Representative

05/14/19
Date

03232
*31002330DS25200120



SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 30 SBA DS2520

Location(s), Building(s), Business of Named Insured and Schedule of Coverages for Premises as designated by Number below.

Location: 001 **Building:** 001

**PROPERTY OPTIONAL COVERAGES APPLICABLE LIMITS OF INSURANCE
TO THIS LOCATION**

STRETCH COVERAGES

FORM: SS 04 08

**THIS FORM INCLUDES MANY ADDITIONAL
COVERAGES AND EXTENSIONS OF
COVERAGES. A SUMMARY OF THE
COVERAGE LIMITS IS ATTACHED.**

**LIMITED FUNGI, BACTERIA OR VIRUS
COVERAGE:**

\$ 50,000

FORM SS 40 93

**THIS IS THE MAXIMUM AMOUNT OF
INSURANCE FOR THIS COVERAGE,
SUBJECT TO ALL PROPERTY LIMITS
FOUND ELSEWHERE ON THIS
DECLARATION.**

**INCLUDING BUSINESS INCOME AND EXTRA
EXPENSE COVERAGE FOR:**

30 DAYS

03233
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SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 30 SBA DS2520

PROPERTY OPTIONAL COVERAGES APPLICABLE TO ALL LOCATIONS LIMITS OF INSURANCE

**BUSINESS INCOME AND EXTRA EXPENSE
COVERAGE
COVERAGE INCLUDES THE FOLLOWING
COVERAGE EXTENSIONS:**

12 MONTHS ACTUAL LOSS SUSTAINED

**ACTION OF CIVIL AUTHORITY:
EXTENDED BUSINESS INCOME:**

30 DAYS
30 CONSECUTIVE DAYS

**EQUIPMENT BREAKDOWN COVERAGE
COVERAGE FOR DIRECT PHYSICAL LOSS
DUE TO:
MECHANICAL BREAKDOWN,
ARTIFICIALLY GENERATED CURRENT
AND STEAM EXPLOSION**

**THIS ADDITIONAL COVERAGE INCLUDES
THE FOLLOWING EXTENSIONS**

**HAZARDOUS SUBSTANCES
EXPEDITING EXPENSES**

\$ 50,000
\$ 50,000

**MECHANICAL BREAKDOWN COVERAGE ONLY
APPLIES WHEN BUILDING OR BUSINESS
PERSONAL PROPERTY IS SELECTED ON
THE POLICY**

**IDENTITY RECOVERY COVERAGE
FORM SS 41 12**

\$ 15,000

Apr 30 20 08:28p

Harvey B. Pats

SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 30 SBA DS2520

BUSINESS LIABILITY	LIMITS OF INSURANCE
LIABILITY AND MEDICAL EXPENSES	\$2,000,000
MEDICAL EXPENSES - ANY ONE PERSON	\$ 10,000
PERSONAL AND ADVERTISING INJURY	\$2,000,000
DAMAGES TO PREMISES RENTED TO YOU ANY ONE PREMISES	\$ 300,000
AGGREGATE LIMITS	
PRODUCTS-COMPLETED OPERATIONS	\$4,000,000
GENERAL AGGREGATE	\$4,000,000
EMPLOYMENT PRACTICES LIABILITY COVERAGE: FORM SS 09 01	
EACH CLAIM LIMIT	\$ 5,000
DEDUCTIBLE - EACH CLAIM LIMIT NOT APPLICABLE	
AGGREGATE LIMIT	\$ 5,000
RETROACTIVE DATE: 07151999	

This **Employment Practices Liability Coverage** contains claims made coverage. Except as may be otherwise provided herein, specified coverages of this insurance are limited generally to liability for injuries for which claims are first made against the insured while the insurance is in force. Please read and review the insurance carefully and discuss the coverage with your Hartford Agent or Broker.

The Limits of Insurance stated in this Declarations will be reduced, and may be completely exhausted, by the payment of "defense expense" and, in such event, The Company will not be obligated to pay any further "defense expense" or sums which the insured is or may become legally obligated to pay as "damages".

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SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 30 SBA DS2520

ADDITIONAL INSURED: THE FOLLOWING ARE ADDITIONAL INSURED FOR BUSINESS LIABILITY COVERAGE IN THIS POLICY.

LOCATION 001 BUILDING 001
TYPE MANAGER LESSOR
NAME ROCK SPRING IV PARTNERSHIP

Apr 30 20 08:29p

Harvey B. Pats

SPECTRUM POLICY DECLARATIONS (Continued)

POLICY NUMBER: 30 SBA DS2520

03235

*3100230DS25200120

Form Numbers of Forms and Endorsements that apply:

SS 00 01 03 14	SS 00 05 12 06	SS 00 07 07 05	SS 00 08 04 05
SS 00 64 09 16	SS 84 01 09 07	SS 01 16 12 17	SS 89 93 07 16
SS 00 60 09 15	SS 00 61 09 15	SS 04 08 09 07	SS 04 19 07 05
SS 04 22 07 05	SS 04 30 07 05	SS 04 39 07 05	SS 04 41 03 18
SS 04 42 03 17	SS 04 44 07 05	SS 04 45 07 05	SS 04 46 09 14
SS 04 47 04 09	SS 04 80 03 00	SS 04 86 03 00	SS 40 18 07 05
SS 40 93 07 05	SS 41 12 12 17	SS 41 51 10 09	SS 41 63 06 11
IH 10 01 09 86	SS 05 47 09 15	SS 50 19 01 15	SS 51 10 03 17
SS 51 11 03 17	SS 09 01 12 14	SS 09 61 10 09	SS 09 67 09 14
SS 09 70 12 14	SS 09 71 12 14	IH 99 40 04 09	IH 99 41 04 09
SS 83 76 01 15			