



**MAY 7, 2020**

## **COVID-19: BEWARE OF VACANCY RESTRICTIONS IN PROPERTY INSURANCE POLICIES**

---

Many states are approaching 60 days of continuous shutdown for non-essential businesses. This means that “Vacancy Provisions” in your property policy could potentially come into play, and significantly restrict – or even exclude – coverage. A property is typically deemed vacant under a property policy if it has not been used by an owner or tenant for more than 60 days or, even, if it is no longer being used for customary operations for more than 60 days.

If deemed “vacant,” your property insurance carrier may exclude coverage for certain causes of loss such as vandalism, sprinkler leakage, water damage, glass breakage and theft, which are considered more likely to occur when a property is unoccupied. In addition, the insurance carrier may reduce loss payment by 15% for any other covered cause of loss while the property is vacant.

As we approach 60 days of continuous shutdown, it is critical to proactively address the situation. If you would like help in understanding how your specific coverage applies to your particular circumstances, please reach out to Sean Brogan, Esquire, Managing Director at [sbrogan@grahamco.com](mailto:sbrogan@grahamco.com).

For additional COVID-19 resources and risk management recommendations, please visit our [COVID-19 Risk Management Center](#).

A PDF of the below information can be found [here](#).