



BAD FAITH BLOG

# Covid-19 Restrictions Do Not Constitute Physical Loss of, or Damage to Property

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14 businesses in New Jersey and Pennsylvania sued their property insurers for coverage from losses from government orders closing or restricting their business. The US District courts ruled for the insurers and the Third Circuit consolidated the appeals.

The court easily found that the financial harm suffered by the businesses inability to use their property was not “physical loss of or damage to” their property as required for there to be coverage.

Some of the policies had exclusions for “virus” or loss or damage from enforcement of law, but the court did not need to reach the exclusions because there was no coverage.

[Read the full opinion here.](#)