

## New Jersey Court Dismisses Law Firm's COVID-19 Claims Against Insurers (Insurance Law Alert)

02.28.22



(Article from *Insurance Law Alert*, February 2022)

For more information, please visit the [Insurance Law Alert Resource Center](#).

A New Jersey trial court granted insurers' motion to dismiss a complaint seeking coverage under business interruption and civil authority provisions of an all risk policy. *Fleming Ruvoldt PLLC v. Sentinel Ins. Co.*, 2022 WL 401883 (N.J. Super. Ct. Feb. 1, 2022). The court found that the law firm's financial losses were caused by government shutdown orders, rather than "physical loss" or "physical damage" as required under the policy. In so ruling, the court rejected the notion that a loss of use of property could constitute direct physical loss. The court further noted that even if the virus was physically present at the covered property, it would be insufficient to meet the "physical damage" requirement. Moreover, the court held that civil authority coverage was unavailable because the government orders did not "completely prohibit" the law firm from accessing its property. Finally, the court ruled that a virus exclusion was unambiguous and barred coverage for all claims.

### Authors and Contacts

[Bryce Friedman](#)

Partner

[bfriedman@stblaw.com](mailto:bfriedman@stblaw.com)

+1-212-455-2235



