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Group of Civil Litigators Files Lawsuit Alleging Breach of Contract in Business Insurance Policy

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Four plaintiff's law firms based in the Midwest have joined together to represent business owners nationwide who argue that their Business Interruption Insurance policies should cover claims related to COVID-19. The first lawsuit from the group was filed Friday on behalf of Promotional Headwear International, a wholesale distributor of custom-branded merchandise.

The class action lawsuit filed by Stueve Siegel Hanson LLP is against The Cincinnati Insurance Company, Inc., and alleges breach of contract stemming from its refusal to pay property insurance claims related to COVID-19. Stueve Siegel is joined by the plaintiff's law firms of Langdon & Emison, Miller Schirger, and Shaffer Lombardo Shurin.

Promotional Headwear International is a family-owned business established in 1937 and operates under the name Sportsman Caps & Bags. As a result of the coronavirus, the company was forced to suspend its business. It estimates that stay-at-home orders led to a 95 percent loss in sales.

Promotional Headwear International holds an all-risk commercial property insurance policy from The Cincinnati Insurance Company to protect it in the event of business interruption. Promotional Headwear International's policy does not contain an exclusion for pandemics or virus-related losses.

“The insurance industry collected \$1.22 trillion in premiums in 2018 – now it's abandoning the customers who paid those premiums when they need protection the most,” said Brett Emison, a partner at Langdon & Emison, with offices in Kansas City, Saint Louis, and Chicago. “When business interruption claims are made, they may be categorically denied regardless of available

coverage in the policy. Insurance companies are telling businesses that have been shut down, 'If you want your coverage, you're going to have to file a lawsuit.'"

The lawsuit, filed in the U.S. District Court for the District of Kansas, seeks declaratory and injunctive relief for loss of business income and extra expenses and compensatory damages. According to the four firms in this joint venture representing business owners, the group brings more than 100 years of combined experience in complex litigation against insurance companies and more than \$1 billion in recoveries.

"While there may be pandemic exclusions in some policies, I haven't seen one yet that contains a reference to pandemics," said Patrick Stueve, founding partner at Stueve Siegel Hanson. "The Cincinnati Insurance Company refuses to honor its promise to provide the protection that our client purchased. Unfortunately, this is not a unique situation."