



VACORP

Business Income and Extra Expense Coverages

In light of schools not bringing students onto campuses and other entities are in some cases limiting services, we have received questions related to Business Income and Extra Expense coverage amid the COVID threat. The VACORP contract applies Business Income and Extra Expense coverage in the event a Member's physical structure or a dependent property suffers a Covered Cause of Loss. Under these contract sections, a Covered Cause of Loss means risk of direct physical loss unless the loss is excluded. To date, VACORP is unaware of any physical damage claim arising out of school closures or other members' suspension of business.

VACORP continuously reviews its contract to determine the ongoing proper coverage provided to our members. However, even our broad standards do not contemplate providing coverage for loss of Business Income and Extra Expense absent physical loss to member or dependent property. Many of VACORP's schools and members are stepping up to create unique solutions to the challenges that the coronavirus presents. We both appreciate and applaud these efforts to ensure students continue to receive their education during this trying time. If a situation arises that creates additional questions on this matter, or one on which there is a physical loss to property, please reach out to the Member Services at 844-986-2705, and we will be happy to discuss your specific situation.