

Press Coverage | July 14, 2020

# Chicago Partner Ernesto Palomo Quoted in Chicago Lawyer Magazine on Challenges of Paying Insurance Premiums For Business' Coronavirus Losses

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Chicago Partner [Ernesto Palomo](#) was quoted in the July issue of Chicago Lawyer Magazine on challenges presented by the COVID-19 pandemic for insurance companies that have received requests for relief from businesses forced to pause operations due to state-mandated closures. Palomo provided insight on the dilemma, commenting, "Insurance companies, obviously, did not price for pandemics; they didn't collect premium for pandemics. And as everyone knows, pandemics are widespread — they cover the entire country — and they're unpredictable, so no new premium dollars came in the door for the insurers. If they're forced to pay these losses, it could put many insurers out of business."

Palomo, who represents insurers in coverage disputes, continued to discuss a surge in cases filed where business owners are seeking business interruption coverage, noting, "As of [late May], there's been over 350 cases filed in state and federal courts around the country where the plaintiffs are seeking business interruption coverage. These cases have been filed in at least 32 different states, including the District of Columbia. So we're getting close to having all 50 states represented in this type of litigation. Pennsylvania has the most cases, followed closely by California, Illinois and Texas."

He also stated paying billions in business interruption claims would impact insurers' abilities to pay out claims not related to the coronavirus. "For example, right now, we're fast approaching the start of hurricane season. If insurers are spending all of their money on these coronavirus losses, they're not going to have the funds to cover hurricane losses since their cash reserves would be depleted," he said.

To read the full article, click [here](#) (*subscription may be required*).

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