

Sports Industry Disputes

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Issues Emerging in Sports Claims

- Professional sports leagues are considered “non-essential businesses”
- Lost revenue from various sources such as ticket sales, advertising, television contracts, concessions, merchandise, events, etc.
- Common issue: whether Covid-19 causes “physical loss or damage” to property



[Andrew Boyers/Reuters]

Current Sports Claims



[Kim Hong-Ji/Reuters]

- Minor League Baseball
 - Rely on ticket sales as primary revenue
 - Seeking coverage under the business income, extra expense, and civil authority provisions of their policies
 - One case already resolved in favor of insurer
- Major League Baseball
 - Complaint filed on behalf of MLB
 - Alleges Covid-19 was physically present at every plaintiff's property
 - Relies on studies explaining Covid-19's presence on objects and surfaces, in the air, and their spread through HVAC systems.

Current Sports Claims

- Atlanta Falcons and Atlanta United FC
 - Allege their insurers have refused to pay business-interruption coverage
 - Venues have suffered “direct physical loss or damage” and not as profitable
- Houston Rockets
 - First NBA team to file claim
 - Attempting to use business-interruption insurance via government-forced shutdowns to recover some of the lost revenue
- Los Angeles Lakers
 - Sued Federal Insurance Company for Covid-19 business income losses



Relationship Between Sports Claims and Entertainment Disputes

- Similar claims being raised
- Many entertainment events held at sports venues
 - Both industries suffered major losses
- Pandemic has forced industries to get creative
 - Both industries have found new ways to connect with consumers



[Rich Fury | Getty Images for Hollywood Park Management Company]

Interesting Notes About Sports Claims

- One case has already been resolved in favor of the insurers due to virus exclusion
- Many sports organizations will likely argue that coverage for business interruption losses apply
- Losses in the industry will vary
- Concessionaries and vendors also suffer losses



[Willy Kurniawan/Reuters]