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FLEMING.RUVOLDT PLLC,

Plaintiff,

v.

SENTINEL INSURANCE COMPANY,  
LIMITED; THE HARTFORD FINANCIAL  
SERVICES GROUP, OWENS  
GROUP LIMITED, INC.,

Defendants.

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SUPERIOR COURT OF NEW JERSEY  
BERGEN COUNTY: LAW DIVISION

Docket No. BER-L-

Civil Action

COMPLAINT AND JURY DEMAND

Plaintiff Fleming.Ruvoldt PLLC ("Plaintiff") by way of complaint against Defendants Sentinel Insurance Company, Limited, The Hartford Financial Services Group and Owens Group Limited, Inc ("Defendants") states as follows:

### **PRELIMINARY STATEMENT**

1. This action stems from consumer fraud, misrepresentations, breach of fiduciary duty and breach of contract related to insurance purchased by Plaintiff from and through Defendants. At its core is the deceptive practice by Defendants of selling one policy to Plaintiff, then substituting a second (and changed) policy upon renewal, without providing notice of the changes nor a copy of the changed policy to Plaintiff.

### **THE PARTIES**

2. Plaintiff, Fleming.Ruvoldt PLLC, is a New York professional limited liability company with its principal place of business at 15 Engle Street, Suite 100, Englewood, NJ 07631 and

a satellite office at 800 Third Ave., 28<sup>th</sup> Floor, New York, NY 10022 (“Fleming Ruvoldt”).

3. Plaintiff Fleming.Ruvoldt has been continually engaged in the practice of law since December 03, 2013. The predecessor name of the Plaintiff was Sullivan.Ruvoldt PLLC; the name was changed to Fleming Ruvoldt on April 17, 2015.

4. The equity members of Fleming Ruvoldt, Cathy Fleming and Harold Ruvoldt, have been admitted to the practice of law since 1980 and 1966, respectively.

5. The equity members have each been in good standing in one or more bars and courts continuously since their first admission.

6. Defendant Sentinel Insurance Company, Limited (“Sentinel”) is a company incorporated in the State of Connecticut with an office in the City of Hartford. It is a wholly owned subsidiary of The Hartford Insurance Company.

7. Defendant The Hartford Financial Services Group d/b/a The Hartford, a Delaware corporation, is an investment and insurance company which maintains a principal place of business at 1 Hartford Plaza, Hartford, Connecticut 06155 (“Hartford”). Hartford sells insurance products primarily through a network of agents and brokers. Hartford also has multiple corporations including, but not limited to Sentinel Insurance Company Limited as Hartford’s alter ego. Defendants Sentinel and Hartford are referred to herein as “Hartford Defendants.”

8. Upon information and belief, Defendant Owens Group Limited, Inc. (“Owens Group”) is a New Jersey corporation.

9. Defendant Owens Group maintains offices at 619 Palisade Avenue, Englewood Cliffs, NJ 07632 and provided consultive services to the Plaintiff and arranged for the insurance policies that Plaintiff purchased.

10. Owens Group is an agent of The Hartford and Sentinel with both actual and apparent authority to bind Hartford Defendants.

11. Since 2013, Defendant Owens Group has provided business insurance coverage, advice on insurance and/or arranged for insurance for Plaintiff and has placed the insurance with The Hartford and Sentinel as their agents. Plaintiff relied on the representations and advice of Owens Group including that the representations were binding on Hartford Defendants.

12. Defendants Hartford, Sentinel and Owens Group are all licensed to do business in New Jersey and are collectively referred to herein as “Defendants.”

### **JURISDICTION**

13. This Court has personal jurisdiction over Defendants because Defendants at all relevant times engaged in substantial business activities (including transacting and conducting insurance business) in and derived substantial revenue from such business activities within the State of New Jersey and within the County of Bergen. Defendants purposely availed themselves of the privilege of conducting business in New Jersey by registering themselves as insurance agencies, insurance agents, insurance consultants and/or insurance providers with the State of New Jersey, maintaining continuous and systematic contacts with this forum.

14. A substantial portion of the acts which gave rise to this lawsuit occurred in Bergen County and the primary insured premises is in the State of New Jersey, County of Bergen. In addition, both Plaintiff and Owens Group maintain a primary office in Bergen County. The Hartford Defendants actively market and issue insurance policies in Bergen County, including the policies at issue in this matter. Accordingly, jurisdiction is proper in New Jersey and venue is proper in Bergen County.

## **FACTUAL BACKGROUND**

### **A. PLAINTIFF'S INSURANCE COVERAGE**

15. Shortly after the formation of Plaintiff, Owens Group through its agents, servants and employees were invited to and did in fact make a proposal for all of the business-related insurance needs of Plaintiff. Owens Group was and acted for, spoke and made representations as agents of Hartford Defendants at that time, and at subsequent times, as well as on its own behalf.

16. The proposal, which was represented to be an “all risk package of insurance” included what Owens Group described as the “Gold Standard” of all benefits and business insurance. The proposed and recommended insurance for Plaintiff’s business was the insurance from Hartford Defendants.

17. The representations and proposal were consistent with and reaffirmations of the advertised business solicitation is of Hartford Defendants and Owens Group.

18. Meetings with Owens Group took place both in Plaintiff’s then New York office at 1700 Broadway and Owens Group’s office in Bergen County, New Jersey.

19. In reliance on Owens Group’s representations and the representations in published material by Owens Group and Hartford Defendants, Plaintiff obtained all of its business insurance from Defendants beginning in 2013 and has continued to purchase that insurance uninterrupted to date.

20. On or about December 1, 2013, Plaintiff agreed to and did purchase all of its insurance products on the advice of and through Owens Group. The insurance products purchased included but was not limited to Sentinel Insurance Company Ltd. Policy 13SBATI0648 with an effective date of December 1, 2013 to December 1, 2014 (“2013 Policy”).

21. The Owens Group represented the 2013 Policy to be an “all risk package of insurance” and included what Owens Group described as the “Gold Standard” of all benefits and business insurance. The proposed and recommended insurance for Plaintiff’s business was the insurance from Hartford Defendants.

22. The premises covered by 2013 Policy was 1700 Broadway, New York, NY 10019, which was the only Fleming Ruvoldt law office at that time.

23. It was represented to Plaintiff by Owens Group on its behalf and as an agent of The Hartford Group that Sentinel Insurance Company Ltd. was part of and alter ego of The Hartford Group and that Owens Group and The Hartford Group “stood behind the policy.”

24. The Owens Group and the Hartford Group represented that the 2013 Policy did provide, among other insurance coverages, coverage for business income and extra expenses on an actual loss sustained basis for up to 12 months. The coverage was to apply whenever the business was interrupted from external causes and not caused by the conduct of Plaintiff.

25. Plaintiff relied on the representations made by the Owens Group and the Hartford Defendants concerning the 2013 Policy and the representations were material. In the event coverage for the instant claim made herein is denied, the representations were false.

26. The 2013 Policy consists of 168 pages and has the logo of The Hartford in multiple places.

27. There is no virus exclusion for business interruption coverage in the 2013 Policy.

28. The term “virus,” undefined in the 2013 Policy, appears only twice in alternative with “bacteria” in the 168 pages.

29. The sole limitation or exclusion related to the term “virus” in the 2013 Policy was for the enforcement of an ordinance or law that required the demolition, repair, replacement, reconstruction, remodeling or remediation to the premises, not to business income or expense coverage.

30. Since Plaintiff at all times was a tenant and not a title holder, this provision could not be read to apply to it.

31. The 2013 Policy’s structure, wording and pagination was drafted by Hartford Defendants so as to make an understanding of the interplay of various provisions confusing, contradicting and incomprehensible and to induce and impel Plaintiff and others to rely on the representations of the Hartford and their agents including Owens Group and Owens Group as an agent for Hartford Defendants.

32. On or before December 1, 2014, Plaintiff agreed to continue to and did renew all of its insurance products on the advice and through the Owens Group. The insurance included Sentinel Insurance Company Ltd. Policy 13SBATI0648 with an effective date of December 1, 2014 to December 1, 2015 (“2014 Policy/First”).

33. The 2014 Policy/First was represented to be an “all risk package of insurance” including what Owens Group described as the “Gold Standard” of all benefits and business insurance. The proposed and recommended insurance for Plaintiff’s business was the insurance from Hartford Defendants.

34. The premises covered by the 2014 Policy/First were 1700 Broadway, New York, NY 10019 and 250 Moonachie Road, Moonachie, NJ 07074. A Florida address of 888 Biscayne Blvd, STE 302, Miami, FL 33131 was added to the policy in January 2015. These premises were all offices of the Plaintiff at that time.

35. It was represented to Plaintiff again by Owens Group on its behalf and as an agent of The Hartford Group, that Sentinel Insurance Company Ltd. was part of The Hartford Group and that Owens Group and The Hartford Group “stood behind the policy.”

36. The 2014 Policy/First was represented, among other insurance coverages, to cover business income and extra expenses on an actual loss sustained basis for up to 12 months. The coverage was to apply whenever the business was interrupted from external causes not as a result of the conduct of Plaintiff.

37. Plaintiff relied on the representations made by the Defendants concerning 2014 Policy/First and the representations were material. In the event coverage for the claim made herein is denied, the representations were false.

38. The 2014 Policy/First Policy consisted of 39 pages and has the logo of The Hartford in multiple places.

39. The 2014 Policy/First contains no virus exclusion for business interruption coverage.

40. The 2014 Policy/First does not contain the word “virus.”

41. The 2014 Policy/First’s structure, wording and pagination was drafted in a way by the Hartford Defendants so as to make an understanding of the interplay of various provisions confusing, contradicting and incomprehensible and to induce and impel Plaintiff and others to rely on the representations of Hartford and their agents (including Owens Group as an agent for the Hartford Defendants).

42. On or about April 1, 2015, the name of the Plaintiff was changed from Sullivan Ruvoldt PLLC to Fleming Ruvoldt PLLC. Owens Group was notified by Plaintiff of the name

change. Owens Group and the Hartford Defendants, without consultation or notice to or consent of Plaintiff, cancelled the 2014 Policy/First and issued a substitute policy (“Substitute Policy”). The actual text of the Substitute Policy was obtained by Plaintiff in 2020 after its 2020 claim for Business Interruption coverage was made and denied by the Hartford Defendants. The Substitute Policy was Sentinel Insurance Company Ltd. Policy 13SBATQ6726 with an effective date of April 1, 2015 to December 1, 2015 (“2014 Policy/Second”).

43. The premises covered by 2014 Policy/Second were 1700 Broadway, New York, NY 10019 and 250 Moonachie Road, Moonachie, NJ 07074. Fleming Ruvoldt no longer had a Florida office.

44. The 2014 Policy/Second provided among other insurance coverages, to cover business income and extra expenses on an actual loss sustained basis for up to 12 months. The coverage was to apply whenever the business was interrupted from external causes not as a result of the conduct of Plaintiff. The Owens Group repeatedly represented that the “all risk coverage” and all other coverages provided by the 2013 Policy/First were and would be continued unchanged despite the name change in 2015.

45. Plaintiff relied on Defendants’ representations concerning the continuation of all risk coverage and the other representations of Defendants were material. In the event coverage for the instant claim made herein is denied, the representations were false.

46. The 2014 Policy/Second, which was first provided to Plaintiff in 2020 after the assertion and denial of a claim for business insurance consists of 187 pages and has the logo of The Hartford in multiple places.

47. The 2014 Policy/Second contains provisions never properly disclosed to Plaintiffs and which changes were made without consideration or reduction in premiums. These revised



provisions were a unilateral modification of an existing contract without notice or consideration. The 2014 Policy/Second was not provided to the Plaintiff at the time of issue and the changes were not disclosed.

48. The 2014 Policy/Second contains limited “Virus Coverage” but does not specify it to be applicable to the business interruption coverages.

49. The undisclosed unilateral changes included a purported limitation on property coverage for damage caused by fungi, bacteria or virus contamination to a covered premises. The limitation does not apply to a pandemic or loss of peaceable possession of property which is not contaminated requiring remediation.

50. The unilateral change of terms between the 2014 Policy/First and the 2014 Policy/Second were done illegally and fraudulently.

51. In February 2014, spreading human infection of avian virus and Middle East respiratory syndrome coronavirus (MERS CoV) throughout the world caused increasing concern in business communities, including the insurance industry of the potential impact of a virus spread.

52. Under all circumstances, Defendants had an obligation to advise Plaintiff of the changes in the policy. In the MERSCOV environment, Defendants should have notified Plaintiff if they intended to change coverage. They did not. Defendants took no steps to change the representations that had been made to Plaintiff. Even with the changes, however, there were no changes that would limit or exclude pandemic coverage.

53. The 2014 Policy/Second’s structure, wording and pagination was done in a way by the Hartford Defendants so as to make a clear understanding of the interplay of various provisions confusing, contradicting and incomprehensible and to induce and impel Plaintiff and others to rely on the representations of Owens Group and Owens Group as an agent for the Hartford

Defendants.

54. On or before December 1, 2015, Plaintiff agreed to and did continue to purchase all of its insurance products on the advice of and through Owens Group. The insurance included but was not limited to Sentinel Insurance Company Ltd. Policy 13SBATQ6726 with an effective date of December 1, 2015 to December 1, 2016 (“2015 Policy”).

55. The premises covered by 2015 Policy were 1700 Broadway, New York, NY 10019 and 250 Moonachie Road, Moonachie, NJ 07074.

56. It was represented to Plaintiff by Owens Group on its behalf and as an agent of The Hartford Group, that Sentinel Insurance Company Ltd. was part of The Hartford Group and that Owens Group and The Hartford Group “stood behind the policy.”

57. The 2015 Policy was represented by Defendants to be an “all risk package of insurance” including what Owens Group described as the “Gold Standard” of all benefits and business insurance. The proposed and recommended insurance for Plaintiff’s business was the insurance from the Hartford Defendants.

58. The 2015 Policy was represented by Defendants to be a continuation of all coverages Defendants had provided since 2013 and were represented to be unchanged since 2013. The policy provided among other insurance coverages, to cover business income and extra expenses on an actual loss sustained basis for up to 12 months. The coverage was to apply whenever the business was interrupted from external causes not as a result of the conduct of Plaintiff.

59. Plaintiff relied on the representations of Defendants made concerning the 2015 Policy and the representations were material. In the event coverage for the claim made herein is denied, the representation was false.

60. The 2015 Policy, first provided to Plaintiff only after the 2020 assertion of a claim for business insurance starting in the year 2020, consisted of 36 pages and has the logo of The Hartford in multiple places.

61. The 2015 Policy returned to the coverages of the 2013 Policy that were illegally and fraudulently limited in the 2014 Policy/Second.

62. The 2015 Policy contains no virus exclusion for the business interruption coverage.

63. The 2015 Policy's structure, wording and pagination was drafted in a way by Hartford Defendants so as to make a clear understanding of the interplay of various provisions confusing, contradicting and incomprehensible and to impel Plaintiff and others to rely on the representations of Owens Group and Owens Group as an agent for Hartford Defendants.

64. On or before December 1, 2016, Plaintiff agreed to and did continue to purchase all of its insurance products on the advice of and through Owens Group. The insurance included but was not limited to Sentinel Insurance Company Ltd. Policy 13SBATQ6726 with an effective date of December 1, 2016 to December 1, 2017 ("2016 Policy").

65. The 2016 Policy was represented by Defendants to be an "all risk package of insurance" including what Owens Group described as the "Gold Standard" of all benefits and business insurance. The proposed and recommended insurance for Plaintiff's business was the insurance from Hartford Defendants.

66. The premises covered by 2016 Policy were 1700 Broadway, New York, NY 10019 and 250 Moonachie Road, Moonachie, NJ 07074.

67. It was represented to Plaintiff by the Owens Group on its behalf and as an agent of The Hartford Group, that Sentinel Insurance Company Ltd. was part of The Hartford Group and that Owens Group and The Hartford Group “stood behind the policy.”

68. The 2016 Policy was represented by Defendants, among other insurance coverages, to be an “all risk” policy providing all coverages in place with Defendants since 2013 including but not limited to coverage for business income and extra expenses on an actual loss sustained basis for up to 12 months. The coverage was to apply whenever the business was interrupted from external causes not as a result of the conduct of Plaintiff.

69. Plaintiff relied on the representations made concerning the 2016 Policy and the representations were material. In the event coverage for the claim made herein is denied, the representation was false.

70. The 2016 Policy consisted of 47 pages and has the logo of The Hartford in multiple places.

71. The 2016 Policy continued the coverages of the 2013 Policy that were illegally and fraudulently limited in the 2014 Policy/Second.

72. The 2016 Policy contains no virus exclusion for business interruption coverage.

73. The 2016 Policy’s structure, wording and pagination was drafted in a way by Hartford Defendants so as to make a clear understanding of the interplay of various provisions confusing, contradicting and incomprehensible and to induce and impel Plaintiff and others to rely on the representations of Owens Group and Owens Group as an agent for Hartford Defendants.

74. On or before December 1, 2017, Plaintiff agreed to and did purchase all of its insurance products on the advice and through Owens Group. The insurance included but was not

limited to Sentinel Insurance Company Ltd. Policy 13SBATQ6726 with an effective date of December 1, 2017 to December 1, 2018 (“2017 Policy”).

75. The 2017 Policy was represented by Defendants to be an “all risk package of insurance” including what Owens Group described as the “Gold Standard” of all benefits and business insurance. The proposed and recommended insurance for Plaintiff’s business was the insurance from Hartford Defendants.

76. The premises covered by the 2017 Policy were 1700 Broadway, New York, NY 10019 and 250 Moonachie Road, Moonachie, NJ 07074.

77. It was represented to Plaintiff by Owens Group on its behalf and as an agent of The Hartford Group that Sentinel Insurance Company Ltd. was part of the Hartford Group and that Owens Group and the Hartford Group “stood behind the policy.”

78. The 2017 Policy was represented to be an “all risk” policy that continued all coverages contained in the 2013 Policy as well as, among other insurance coverages, coverage for business income and extra expenses on an actual loss sustained basis for up to 12 months. The coverage was to apply whenever the business was interrupted from external causes not as a result of the conduct of Plaintiff.

79. Plaintiff relied on the representations made concerning the 2017 Policy and the representations were material. In the event coverage for the claim made herein is denied, the representations were false.

80. The 2017 Policy consisted of 40 pages and has the logo of The Hartford in multiple places.

81. The 2017 Policy contains no virus exclusion for business interruption coverage.

82. The 2017 Policy continued the coverages of the 2013 Policy that were illegally and fraudulently limited in the 2014 Policy/Second.

83. The 2017 Policy's structure, wording and pagination was drafted in a way by Hartford Defendants so as to make a clear understanding of the interplay of various provisions confusing, contradicting and incomprehensible and to induce and impel Plaintiff and others to rely on the representations of Owens Group and Owens Group as an agent for Hartford Defendants.

84. On or before December 1, 2018, Plaintiff agreed to and did purchase all of its insurance products on the advice and through Owens Group. The insurance included but was not limited to Sentinel Insurance Company Ltd. Policy 13SBATQ6726 with an effective date of December 1, 2018 to December 1, 2019 ("2018 Policy").

85. The premises covered by 2018 Policy were 1700 Broadway, New York, NY 10019 and 250 Moonachie Road, Moonachie, NJ 07074.

86. It was represented to Plaintiff by Owens Group on its behalf and as an agent of The Hartford Group that Sentinel Insurance Company Ltd. was part of the Hartford Group and that Owens Group and the Hartford Group "stood behind the policy."

87. The 2018 Policy was represented by Defendants, among other insurance coverages, to be an "all risk" policy containing all coverages in place with Defendants since 2013 including but not limited to coverage for business income and extra expenses on an actual loss sustained basis for up to 12 months. The coverage was to apply whenever the business was interrupted from external causes not as a result of the conduct of Plaintiff.

88. The 2018 Policy was represented to be an "all risk package of insurance" including what the Owens Group described as the "Gold Standard" of all benefits and business insurance. The proposed and recommended insurance for Plaintiff's business was the insurance

from Hartford Defendants.

89. Plaintiff relied on the representations made concerning the 2018 Policy and the representations were material. In the event coverage for the claim made herein is denied, the representations were false.

90. The 2018 Policy consisted of 201 pages and has the logo of The Hartford in multiple places.

91. The 2018 Policy contained limited “Virus Coverage” but does not specify it to be applicable to the business interruption coverages.

92. The limited “Virus Coverage” in the 2014 Policy/Second was repeated in the 2018 Policy but does not specify it to be applicable to the business interruption coverages.

93. The 2018 Policy’s structure, wording and pagination was drafted in a way by Hartford Defendants so as to make a clear understanding of the interplay of various provisions confusing, contradicting and incomprehensible and to induce and impel Plaintiff and others to rely on the representations of Owens Group and Owens Group as an agent for Hartford Defendants.

94. On or before December 1, 2019, Plaintiff agreed to and did continue to purchase all of its insurance products on the advice and through Owens Group. The insurance included but was not limited to Sentinel Insurance Company Ltd. Policy 13SBATQ6726 with an effective date of December 1, 2019 to December 1, 2020 (“2019 Policy”).

95. Plaintiff moved its New Jersey office to 15 Engle Street, Suite 100, Englewood, New Jersey on or about December 31, 2019.

96. The premises covered by 2019 Policy were 15 Engle Street, Suite 100, Englewood, NJ 07631 and 800 Third Ave., New York, NY 10022.

97. It was represented to Plaintiff by Owens Group on its behalf and as an agent of The Hartford Group, that Sentinel Insurance Company Ltd. was part of The Hartford Group and that Owens Group and The Hartford Group “stood behind the policy.”

98. The 2019 Policy was represented by Defendants, among other insurance coverages, to be an “all risk” policy containing all coverages in place with Defendants since 2013 including but not limited to coverage for business income and extra expenses on an actual loss sustained basis for up to 12 months. The coverage was to apply whenever the business was interrupted from external causes not as a result of the conduct of Plaintiff.

99. The 2019 Policy was represented to be an “all risk package of insurance” including what the Owens Group described as the “Gold Standard” of all benefits and business insurance. The proposed and recommended insurance for the Business Policy was the insurance from the Hartford Defendants.

100. Plaintiff relied on the representations made by the Defendants concerning the 2019 Policy and the representations were material. In the event coverage for the claim made herein is denied, the representations were false.

101. The 2019 Policy consisted of 199 pages and has the logo of The Hartford in multiple places.

102. The 2019 Policy contained limited “Virus Coverage” but does not specify it to be applicable to the business interruption coverages.

103. The limited “Virus Coverage” in the 2014 Policy/Second was repeated in the 2019 Policy but does not specify it to be applicable to the business interruption coverages.



104. The 2019 Policy's structure, wording and pagination was drafted in a way by Hartford Defendants so as to make a clear understanding of the interplay of various provisions confusing, contradicting and incomprehensible and to induce and impel Plaintiff and others to rely on the representations of Owens Group and Owens Group as an agent for Hartford Defendants.

105. Defendants amended the coverage provisions and concealed the amendments in the 2014 Policy and the 2018 Policy because of fear of losses tied to the MERS virus. Defendants amended and concealed the amendments in the 2019 Policy due to fear of losses tied to the COVID virus. Annually representations were made, and public advertisements and solicitations sent by Defendants to Plaintiff representing the coverages to be continued unaltered as an "all risk" coverage. Those representations were material and if the claims are denied they were false.

106. Plaintiff did not participate in the drafting or negotiation of the words used in any of the Policies as the insured. Plaintiff had no bargaining power to alter or negotiate the terms of the Policies.

107. Plaintiff paid premiums as set by Defendants every year from 2013 to date. All Defendants received a financial benefit from the premiums paid.

108. Plaintiff was led to believe by Defendants that the insurance coverage was fully disclosed in the declaration sheets and/or insurance summaries which they provided periodically.

109. The marketing by Defendants included false and materially misleading advertising and other marketing strategies to convey in part that their business interruption insurance product, "can replace any income your business loss if you can't open for a time after a covered loss, like property damage."

110. Defendants did not disclose that it was or would be their position or the extent of coverage would require actual "physical property damage." In fact, the term "physical property

damage” is not required for recovery under the Policy, nor was there any disclosure at any time that a “Pandemic” was the subject of exclusion under the business interruption insurance product Defendants recommended or the policy that was issued by Defendants to Plaintiffs. The term “pandemic” is not found in any policy and the term “physical property damage” is not defined in any Policy.

111. Defendants at all times knew that “physical property damage” could not occur to the insurable interest of Plaintiff in the covered properties, since Plaintiff’s “property rights” were those in a partially leased premises whereby their insurable interest in the property was a right to peaceable possession. The loss of peaceable possession was one of the intended causes of business interruption that the Policy was intended to issue.

112. Beginning in or about March 2020, Plaintiff suffered “property damage” within the meaning of the 2019 Policy and predecessor policies and suffered and are suffering severe loss of income.

113. At no time prior to making a claim in 2020 did any Defendant inform Plaintiff that there were purported exclusions for Pandemics, Orders by the Government, or any other situation in which the business of Plaintiff was interrupted other than being caused by Plaintiff.

114. In reliance on the representations of Defendants, Plaintiff purchased and renewed the Policy of Sentinel, continually paid premiums as they became due and relied on the fact that they were covered for business interruptions precisely for the loss they suffered here.

115. At the time of the initial insurance in 2013, the “full insurance policy” was sent by Defendants to Plaintiff. Thereafter, the “declaration page of the policy” containing no virus exclusion was sent initially and occasionally with each renewal sent by Defendants. Summaries of insurance reflecting no exclusions were also intermittently sent.

116. Plaintiff renewed its insurance policy annually from 2013 and through the current time from the Defendants, *inter alia*, to protect Plaintiff in the event of business interruption for either or both premises in New York and New Jersey from any cause not of their making.

117. Beginning in 2020, in each of the Plaintiff's Premises rented portion, a vested property right was damaged and property damage was sustained. In each of the properties, Plaintiff was denied the right of peaceable possession and the business income loss was incurred.

### **The Policy**

118. Plaintiff's Policy is and has been continually described by Defendants as an "allrisk" policy that provides coverage for all business losses.

119. The Policy expressly provides both "Business Income" coverage which promises to pay for loss due to the necessary suspension of operations and "Civil Authority" coverage which promises to pay for losses caused by a civil or governmental authority that prohibits access to the covered property.

120. The Policy also provides "Extra Expense" and other coverages which promises to pay for expenses incurred to losses during the suspension of business operations.

121. It was known to Plaintiff and Defendants, as well as being commonly known, that federal, state, and local health authorities simultaneously have separate but concurrent legal shut down, isolation and/or quarantine power.

122. These powers of shut down, isolation and quarantine are "police power" functions. Pursuant to these powers, public health officials at the federal, state, and local levels could seek the assistance of their respective law enforcement counterparts to enforce a public health order to shut down.

123. Defendants represented repeatedly that they provided insurance to protect Plaintiff from the economic harm of forced closing without regard to cause.

124. If Defendants' Policy does not provide coverage to Plaintiff then Defendants' representations and publicly advertised statements that they would offer insurance to protect businesses from the economic harm of forced closing without regard to cause was one of many material, false statements by Defendants upon which Plaintiff relied to its detriment and suffered damages.

125. Plaintiff had continued to renew insurance and pay premiums to Defendants in reliance of the assertion of Defendants that coverage was being provided to protect businesses from the economic harm of forced closing. If coverage is denied, these false representations were a fraudulent inducement to obtain premiums from Defendant and other similarly situated businesses and consumers.

126. The insured premises at 15 Engle Street, Englewood, NJ 07631 is a suite of offices, the primary business location of Plaintiff where files, records and computer systems and data of Plaintiff are located. Between January 1 and March 1, 2020, it was also the location where all employees physically worked.

127. The 15 Engle Street, Englewood, NJ 07631 property was uniquely damaged so as to be unsafe to be occupied by Plaintiff for business purposes.

128. By faithfully paying the policy premiums, Plaintiff reasonably expected that the business interruption, extra expense and/or civil authority coverages promised to be provided by Defendant would protect against losses of its business due to orders of government bodies out of public safety concerns.

129. "Physical loss or damage" is not defined in the Policy.

130. Plaintiff suffered complete physical loss of the property and its property right of peaceable possession was lost.

131. In the Policy, the Hartford Defendants agreed to pay for Plaintiff's actual loss of Business Income sustained due to the necessary suspension of its operations.

132. "Business income" means net income (profit or loss) before tax that Plaintiff would have earned if the loss or damage had not occurred as well as continuing normal operating expenses incurred.

133. A "slowdown or cessation" of business activities at the Covered Property is a "suspension" under the Policy.

134. In the Policy, the Hartford Defendants also agreed to pay necessary Extra Expense that Plaintiff incurred during the "period of restoration" that the insureds would not have incurred if there had been no loss.

135. In the Policy, the Hartford Defendants also agreed to "pay for the actual loss of Business Income" that Plaintiff sustains when access to the Covered Property is "prohibited by order of a *civil authority* as the direct result of a Covered Cause of Loss to property in the immediate area" of the "scheduled premises" (emphasis added).

136. The Business Income, Extra Expense and Civil Authority provisions of the Policy were triggered by damage and loss caused by the COVID-19 related closure orders issued by local, state and federal authorities, and Plaintiff's inability to use and/or restricted use of the Covered Property.

137. The concomitant closure of courts, other businesses, and related closing of law and government offices were also a cause of loss.

### **The Government Ordered Shut Down/Insurance Claim**

138. On or about March 18, 2020, Plaintiff was forced to suspend business operations in response to orders by state and local authorities mandating the closure of all non-essential businesses in the State of New Jersey and the State of New York in an effort to protect the public from the global pandemic caused by COVID-19, a highly contagious respiratory disease that has disrupted daily life and infected more than 23,000,000 people to date throughout the United States.

139. On or about April 6, 2020, Plaintiff made a claim for business interruption, civil authority and/or extra expense coverage to recoup substantial, ongoing financial losses directly attributable to a series of various closure orders.

140. Coverage was denied by Defendants immediately, on April 7, 2020, without an appropriate investigation as required by New Jersey law. N.J. A.C. § 11:2-17.7(a)

141. The recent history of pandemics has made insurance for Business Interruption critical for small businesses.

142. On information and belief, business interruption insurance protection, including covering losses from the adverse effects of pandemics, was advertised as being available from The Hartford as a part of their business comprehensive coverage offered to Plaintiff and any business who was a renter depending on their right to peaceable possession and for lawyers to protect from closing of courts and other government institutions.

### **B. PANDEMIC**

143. Severe acute respiratory syndrome (SARS) is a respiratory illness caused by a coronavirus, called SARS-associated coronavirus (SARS-CoV). SARS was first reported in Asia in February 2003. Over the next few months, the illness spread to more than two dozen countries in North America, South America, Europe, and Asia before the SARS global outbreak of 2003

was contained. SARS was a pandemic.

144. A total of 8,098 people worldwide became sick with SARS during the 2003 outbreak. Of these, 774 died. In the United States, only eight people had laboratory evidence of SARS-CoV infection. All of these people had traveled to other parts of the world where SARS was spreading. SARS did not spread more widely in the community in the United States.

145. MERS-CoV is also one of seven known coronaviruses to infect people and first emerged in 2012. MERS was a pandemic.

146. As of November 2019, 2,494 cases of MERS have been reported with 858 deaths.

147. In December 2019, a pneumonia outbreak was reported in Wuhan, China. On December 31, 2019, the outbreak was traced to a novel strain of coronavirus, which was given the interim name 2019-nCoV by the World Health Organization (WHO), later renamed SARS-CoV-2 by the International Committee on Taxonomy of Viruses, commonly abbreviated to “COVID-19.” COVID-19 is a pandemic.

148. According to the Centers for Disease Control and Prevention (“CDC”), COVID-19 can spread by respiratory droplets when an infected person coughs, sneezes, or talks. A person can become infected from respiratory droplets or potentially by touching a surface or object that has the virus on it and then by touching the mouth, nose, or eyes. The contamination can live on surfaces for several days if not longer.

149. Scientists and researchers also reported that COVID-19 can also travel through the air via aerosols.

150. As of January 15, 2021, there have been at least 2 million deaths and more than 95 million confirmed cases in the Covid-19 pandemic. The Wuhan strain has been identified as a new strain of beta coronavirus from group 2B with approximately 70% genetic similarity to the

SARS-CoV. The pandemic resulted in travel restrictions and nationwide lockdowns in many countries including in the United States.

151. The impact of Covid-19 pandemic (unlike SARS and MERS) has been monumental. There have been more than 2 million confirmed cases and 404,689 deaths in the United States as of January 21, 2021. The numbers of cases and deaths continue to rise.

152. By late fall 2020, a new spike of infections seemed to have emerged.

153. In the meantime, multiple COVID-19 variants are circulating globally. Several new variants emerged in the fall of 2020, notably a new variant (known as 20I/501Y.V1, VOC 202012/01, or B.1.1.7) emerged in the United Kingdom (“UK”) with an unusually large number of mutations, a new variant discovered in South Africa, and another new variant that has 17 unique mutations that were initially identified in four travelers to Japan from Brazil. The UK variant has since been detected in numerous countries around the world, including the United States (US) and Canada.

154. It was reasonable and predictable that civil authority would impose restrictions which compelled the shutdown of courts, government offices, other businesses, and Plaintiff’s business for a period of time. This and other limitations caused losses from the multiple actions of the civil authority orders which resulted in business interruption within the meaning of the Policy of insurance Plaintiff purchased through and from Defendants. The losses were also within the scope of harm Defendants Sentinel and Hartford continuously advertised and assured Plaintiff (and others) were insured, and which Defendants said would cover continuously since, in Plaintiff’s instance, 2013.

155. Plaintiff was never informed that damages caused by pandemics were not covered. Indeed, no Policy since 2013 contains the word “pandemic.” The failure to inform Plaintiff of the



new position the insurers were taking regarding pandemics and falsely categorizing it as a “virus” under the Policy was fraudulent and a breach of Defendants’ duties to Plaintiff.

156. The steady and historically consistent growth of coronavirus was foreseeable as early as 2012 but became an eventual certainty by February 2020.

157. It was publicly and commonly known as a result of these worldwide pandemics that federal, state and local health authorities who possess concurrent legal quarantine power would reasonably act and cause various types of lockdowns resulting in dramatic interruptions of multiple types of business operations.

158. On March 11, 2020, the World Health Organization officially declared COVID-19 a global pandemic

159. State and local governments have declared that COVID-19 is a cause of real physical loss and damage to property.

160. COVID-19 is a physical substance. COVID travels through the air but is primarily communicated by exposure to infected individuals.

161. The New Jersey building in where the insured premises is located and which serves as Plaintiff’s principal place of business contains a number of medical facilities that serve, among others, a population overly disproportionately affected by COVID, thereby making operating a business on the premises uniquely dangerous in this pandemic, to all of Plaintiff’s owners, employees and clients.

162. The travel ban issued by CDC, the Stay-at-Home Orders issued by 44 states, and the “Closure Orders” to close all non-essential business issued by 35 states intended to contain the spread of the highly contagious COVID forced Plaintiff to shut down both its offices in New Jersey and New York and cut off Plaintiff from access to major clients.

163. Before the Pandemic, Plaintiff had major business ties in Asia where one or more of Plaintiff's clients are in countries such as China. Plaintiff regularly attended in-person meetings with these clients in Asia and in various locations around the world.

164. Plaintiff has and will continue to suffer substantial economic losses, including without limitation, due to its inability to travel internationally and particularly to Asia and participate in essential meetings with clients, as well as inability to operate its business and meet with others in multiple locations because of Orders implemented by various governmental bodies during the pandemic.

### **C. THE COVERED CAUSE OF LOSS**

#### **1. Physical Loss or Damage**

165. Losses due to the pandemic are a Covered Cause of Loss under the Policy.

166. In its April 7, 2020 letter, and despite no investigation of facts whatsoever, Defendant Hartford denied Plaintiff Business Income Coverage because "there has been no physical loss or damage caused by or resulting from a Covered Cause of Loss to property at a 'scheduled premises.'"

167. Plaintiff's business suffered direct physical loss or damage when the covered premises was rendered "uninhabitable" or "unfit for use."

168. The pandemic is a condition which causes an "imminent threat" of loss of access to or utility to a property which constitutes direct physical loss or damage for purpose of business interruption coverage.

169. Physical and chemical forces hold aerosol particles in the air. The suspended particles remain for hours or more, depending on factors such as heat and humidity. If virus particles can be suspended in air for more than a few seconds, as, for instance, the measles virus

can, anyone passing through could become infected by a pathogenic aerosol cloud. The virus can travel long distances and land on surfaces, only to be stirred back up into the air later by cleaning or other disturbances.

170. The implications of *physical* spread of COVID-19 are extremely serious. State and local governments have determined that without the Stay at Home Orders, COVID-19 could spread uncontrolled throughout the community.

171. Lastly, the Orders directly affecting Plaintiff's places of business explicitly acknowledge that COVID-19 and COVID-19 prevention measures have caused direct physical damage and loss to property. For instance, New York City Emergency Order ("EEO") No. 100 explicitly stated that "the virus is physically causing property loss and damage." EEO No. 103 stated that "... the actions taken to prevent [the spread of virus] have led to property loss and damage."

172. Undoubtedly, the pandemic caused direct physical loss of or damage to the Covered Property under the Policy. It renders the Covered Property unsafe, uninhabitable, or otherwise unfit for its intended use, which constitutes direct physical loss.

173. Plaintiff's loss of use and/or peaceable possession of the Covered Property also constitutes direct physical loss and damage.

174. Plaintiff's business income loss coverage of the Policy was triggered in February 2020.

175. As a result of the Pandemic Defendants suffered property damage within the coverage of the Policy covering the year 2020 and thereafter.

176. The denial of coverage by Defendants was arbitrary, unreasonable and wrongful.

177. Plaintiff had a right to rely on the representations made about their insurance cover by the Defendants.

178. As a result of the wrongful denial of coverage, the Plaintiffs were damaged.

179. Plaintiff has been damaged as a result of representations which Defendants now assert to be false, which were material and upon which the Plaintiff relied to its detriment.

## **2. Civil Authority Orders**

180. Defendant's April 7, 2020 letter denied Plaintiff's Civil Authority coverage by claiming that Defendants were unaware that "a civil authority issued an order as a direct result of a covered cause of loss to property in the immediate area of your scheduled premises."

181. Defendant's reason for denial of Civil Authority coverage is false. Because the presence of the COVID-19 pandemic and its threat to public health, which is evidenced by rendering properties dangerous and unfit for use, causing direct physical damage, civil authorities throughout the country have issued orders mandating the suspension of non-essential businesses across a wide range of industries, including civil authorities with jurisdiction over Plaintiff's business both in New Jersey and New York.

182. On March 9, 2020, Phil Murphy, the Governor of New Jersey, issued Executive Order No. 103, declaring a State of Emergency in New Jersey as a result of COVID-19.

183. Governor Murphy in his order declared: "It shall be the duty of every person or entity in this State or doing business in this State ... to cooperate fully with the State Director of Emergency Management and the Commissioner of Department of Health in all matters concerning this state of emergency."

184. On March 21, 2020, Governor Murphy issued a "stay at home" order (Order No. 107), ordering all New Jersey residents to stay at home except for necessary travel. He ordered that all non-essential businesses close until further notice. Law firms were deemed "non-essential"

under the Governor's order.

185. By May 5, 2020, there were over 130,000 positive cases of COVID-19 in New Jersey, with at least 8,244 of those cases having resulted in death. On May 6, 2020, Governor Murphy in Order 138 ordered that emergency measures the State had taken to address COVID-19 must continue, and the prior Executive Orders would remain in full force and effect.

186. Similarly, on March 17, 2020, the Mayor of New York City issued an Emergency Executive Order No. 101 that suspended the procurement of goods, services, or construction unless an agency head determines such procurement is necessary to respond to the emergency.

187. On March 22, 2020, the Governor of New York Andrew Cuomo ordered all non-essential businesses to close and all non-essential and necessary members of the workforce must stay home. Such order was extended on April 16 by Governor Cuomo to at least May 15, 2020.

188. At least 42 states and countless local governments issued substantially similar orders. These orders, as they related to the closure of all "non-essential businesses" and the suspension of legal businesses **did so recognizing** that COVID-19 pandemic causes damage to property. Plaintiff's business income loss was triggered with the initial restrictive civil authority action and order that prohibited access to the Covered Property.

189. Plaintiff's Covered Property suffered "direct physical loss or damage" due to both Governors' Orders and other local governmental orders mandating that Plaintiff discontinue its use of the Covered Property. Those orders, in and of itself, constitute a Covered Cause of Loss within the meaning of the Policy.

190. Defendant's April 7, 2020 denial letter alleges that the Policy contains an exclusion. The exclusion referenced in the denial letter (previously not ever disclosed to Plaintiff) is wrong because the pandemic related loss is a Covered Cause of Loss:

“B. EXCLUSIONS

\*\*\*\*

3. We will not pay for loss or damage caused by or resulting from any of the following. But if physical loss or physical damage by a Covered Cause of Loss results, we will pay for that resulting physical loss or damage.

\*\*\*\*

b. Acts or Decisions: Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.” (emphasis added)

191. As the pandemic related loss is loss or damage by a Covered Causes of Loss, this exclusion expressly states that Defendant will pay for such resulting physical loss or damage.

**D. VIRUS EXCLUSION**

192. The 2019 Policy allegedly contains a Limited Fungi, Bacteria or Virus Coverage that applies to the Special Property Coverage Form, which provides “We will not pay for loss or damage caused directly or indirectly by...Presence, growth, proliferation, spread or any activity of .... bacteria or virus.... This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.”

193. This exclusion requires the presence and growth proliferation spread upon the insured premises. It does not refer to pandemic or business interruption insurance.

194. The Limited Virus Exclusion does not preclude coverage for Plaintiff’s claim under the Policy.

195. To the extent that the governmental orders constitute direct physical loss of or damage to Plaintiff’s Covered Property, and/or preclusion of access to the Covered Property because of a Civil Authority order related to damage to nearby properties, the Limited “Virus Exclusion” simply does not apply.

196. Plaintiff had no notice of the existence of and did not negotiate for the inclusion of this Limited Virus Exclusion. It was not in any Policy ever disclosed to Plaintiff (until after

Plaintiff asserted its 2020 claim).

197. Plaintiff did not receive any benefit or consideration for the inclusion of the Limited Virus Exclusion. Defendants seek the fraudulent inclusion of the Exclusion and the convoluted interpretation of it to enrich themselves to the detriment of Plaintiff.

198. Plaintiff did not receive the benefit of any bargain related to the Limited Virus Exclusion and did not receive notice of its inclusion.

199. Defendants seek the unilateral benefit of exclusion of coverage for a risk while also receiving the same or even greater premiums for the lesser coverage, despite Defendants concealing the change of text in the Policy

200. The periodic so-called “Declaration” of coverage pages forwarded to Plaintiff for the 2019 renewal by Defendants does not mention or disclose any virus exclusion for business income and expenses. None of the pre-claim documents supplied to Plaintiff in the course of dealing with Defendants disclosed a virus exception or any exclusion now argued by Defendants.

201. Even a business and/or property owner who was aware of the virus exclusion would reasonably conclude that the exclusion related to liability claims against the insured for transmitting the virus, not loss of revenue claims. This is the plain meaning of the exclusion and the full extent of its legitimate effect.

202. Defendants have been in New Jersey since on or before 2006, and they were aware courts have repeatedly found that property insurance policies covered claims involving disease-causing agents and have held on numerous occasions that any condition making it impossible to use property for its intended use constituted “physical loss or damage to such property.” This law was well known to Defendants when they issued and renewed the Policy.

## **E. DUTY OF GOOD FAITH AND FAIR DEALING**

203. Plaintiff submitted a business interruption claim to recover business income and extra expenses under its Policy on April 6, 2020.

204. Plaintiff's loss exceeds three million dollars.

205. On April 7, 2020, fewer than 12 business hours following the submission of Plaintiff's claim, Defendant Hartford issued a denial letter to Plaintiff.

206. On information and belief, the universal denial of claims by the Insurance Defendants and other insurance companies was part of an industry wide agreement to deny all claims related to the pandemic regardless of merit. The agreement and denials was and is unlawful.

207. Failure to investigate properly claims and issuance of templated denial letters by the insurance carriers is a *prima facie* act of bad faith and violates New Jersey law.

208. Defendants' immediate denial of Plaintiff's claim without proper investigation demonstrates bad faith.

## **CAUSES OF ACTION**

### **COUNT I**

#### **DECLARATORY AND INJUNCTIVE RELIEF**

#### **(Against Sentinel and Hartford and Owens Group)**

209. Plaintiff realleges and incorporates by reference paragraphs 1 through 208 as if fully set forth herein.

210. The Declaratory Judgment Act, N.J.S.A. 2A:16-53, authorizes courts to declare rights, status and other legal relations so as to afford litigants relief from uncertainty and insecurity. A person whose **rights** or **legal relations** are affected by a statute may have the validity of that statute determined.



211. Plaintiff requests a Declaratory Judgment to affirm that the Policy provides business income coverage due to losses attributable to civil authority actions, and because the denial violates public policy.

212. Plaintiff further requests a Declaratory Judgment that the Exclusions of Fungi, Bacteria or Virus does not apply to the business income losses incurred by Plaintiff, that Defendant is estopped from enforcing the Virus Exclusion, and that the clause does not apply to the facts of this case.

213. Plaintiff's interest in the Policy and the declaratory relief sought is direct, substantial, quantifiable, and immediate.

214. An actual controversy has arisen between Plaintiff and Defendants as to the rights, duties and responsibilities of the parties under the Policy to reimburse Plaintiff for its business income loss. Plaintiff contends (and Defendant disputes) that:

- a. Plaintiff sustained direct physical loss of or damage to the Covered Property under the Policy;
- b. Plaintiff is entitled to coverage for business income loss and extra expense;
- c. The Policy provides business income coverage in the event that COVID- 19 directly or indirectly caused a loss and/or damage at the Covered Property or immediate area of the Covered Property;
- d. The closure Orders described herein constitute a prohibition of access to the Covered Property;
- e. The prohibition of access by the closure Orders described herein has specifically prohibited access as defined in the Policy;
- f. The closure Orders described herein trigger coverage;
- g. The Policy provides coverage to Plaintiff for any current and future closures due to physical loss or damage directly or indirectly resulting from COVID-19 under the Civil authority Coverage;

h. The Virus Exclusion is void as against public policy as it pertains to the closure Orders described herein;

i. The Virus Exclusion does not apply to business income loss or losses from an Order of a civil authority;

j. Defendants acted in bad faith by not properly reviewing the claim properly.

215. Resolution of the duties, responsibilities and obligations of the Parties is necessary as no adequate remedy at law exists and a judicial declaration is required to resolve the dispute and controversy.

## **COUNT II**

### **BREACH OF CONTRACT** **(Against Hartford and Sentinel)**

216. Plaintiff realleges and incorporates by reference paragraphs 1 through 215 as if fully set forth herein.

217. At all relevant times, Plaintiff was an insured under the Policy with Defendants.

218. Plaintiff purchased and paid premiums to Defendants for the property, business income and extra expense, civil authority and additional coverages applicable to the losses claimed in this action.

219. All the information regarding the insured's business and risks thereof was known to Defendant when the Policy was issued.

220. Plaintiff is entitled to recover all losses claimed.

221. Defendants were advised of Plaintiff's claims and demand for coverage under the Policy.

222. Plaintiff complied with all requirements of the Policy.

223. Defendants denied Plaintiff's claim unreasonably.

224. Defendants breached the terms and provisions of the Policy by denying the claims of Plaintiff for all losses caused by COVID-19 and the civil authority orders.

225. The breach of obligations under the Policy by Defendants to indemnify Plaintiff has caused Plaintiff to suffer loss and harm.

226. Defendants are legally required to pay Plaintiff all covered losses including business income, extra expense, civil authority and other coverages under the Policy.

### **COUNT III**

#### **BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING** **(Against Hartford and Sentinel)**

227. Plaintiff realleges and incorporates by reference paragraphs 1 through 226 as if fully set forth herein.

228. Plaintiff and Defendants entered into an insurance contract where Plaintiff paid insurance premiums in consideration for of Defendant's promise to pay relevant losses of Plaintiff under the Policy.

229. It is implied or understood that each party to the contract must act in good faith and deal fairly with the other party in performing or enforcing the terms of the contract.

230. Defendants denied Plaintiff's claim in less than one business day without any proper investigation.

231. Defendants are obligated to act in good faith towards the insured under the Policy to make fair and reasonable efforts and offers to resolve Plaintiff's claim.

232. Defendants' improper denial without any investigation demonstrated its purpose of depriving Plaintiff of benefits under the contract.

233. Because of Defendants' failure to indemnify Plaintiff's losses in the claim, Plaintiff

was unable to realize the benefit of its insurance contract and has suffered and will continue to suffer substantial damages.

234. Plaintiff was deprived of reasonable expectation to recover its losses under the Policy.

#### **COUNT IV**

#### **CONSUMER FRAUD AND FRAUD** **(Against Hartford and Sentinel)**

235. Plaintiff realleges and incorporates by reference paragraphs 1 through 234 as if fully set forth herein.

236. New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. (the “Act”) makes “any unconscionable commercial practice, deception, fraud, false pretense, false promise or misrepresentation” unlawful.

237. In the Policy issued by Defendant Sentinel to Plaintiff, Sentinel expressly promised to pay losses of business income and extra expenses suffered by Plaintiff because of acts of Civil Authority.

238. By faithfully paying the premium, Plaintiff had reasonable expectations that its losses categorized under relevant parts of the Policy would be duly indemnified by Defendant.

239. Defendant Hartford, however, denied Plaintiff’s claim on the basis that Plaintiff’s loss and/damage is not a “Covered Loss” under the Policy.

240. Defendant Hartford further claimed that exclusions in the same Policy regarding “act or decision of governmental body” and “fungus or virus” prevented Plaintiff’s recovery.

241. Defendants’ conduct is prohibited by the Act.

**COUNT V**

**NEGLIGENCE**  
**(Against Owens Group)**

242. Plaintiff realleges and incorporates by reference paragraphs 1 through 241 as if fully set forth herein.

243. In the event that the fact finder determines that the Policy does not cover Plaintiff's losses in full, this Count is pleaded in the alternative to Counts I to IV and only against Defendant Owens Group.

244. Defendant Owens Group undertook a duty to exercise reasonable care and/or skill and knowledge normally possessed by insurance brokers in selecting, preparing and processing Plaintiff's policy application and in obtaining an insurance policy including Business Income, Extra Expense and Civil Authority coverages.

245. Plaintiff requested and Defendant Owens Group agreed to secure as broad insurance protection including without limitation Business Income, Extra Expense, and Civil Authority coverage.

246. Plaintiff had a reasonable expectation in purchasing a Policy with Business Income, Extra Expense, and Civil Authority coverage, that such coverages would apply in the event that a civil authority issued an order effectively closing Plaintiff's business because of a public health emergency, such as the COVID-19 pandemic.

247. Defendant Owens Group breached its duties of care to Plaintiff by its negligent acts and omissions including, but not limited to:

- a. Failing to exercise reasonable care in obtaining "Gold Standard" policies to provide requested comprehensive coverage for Plaintiff.
- b. Failing to exercise reasonable care in obtaining insurance policies to provide "Gold

Standard” Business Income, Extra Expense and Civil Authority comprehensive coverages for Plaintiff that would cover losses due to a public health emergency arising from a virus such as COVID-19.

- c. Failing to exercise reasonable care in obtaining insurance policies to provide “Gold Standard” Business Income and Extra Expense comprehensive coverage to Plaintiff that would cover losses due to order of a civil authority relating to a public health emergency arising from a virus such as COVID-19.
- d. Failing to inform Plaintiff that the Policy obtained did not have comprehensive coverage which would provide “Gold Standard” Business Expense and Extra Income coverage applicable to Plaintiff’s business operations in the event of a public health emergency arising from a virus such as COVID-19.
- e. Failing to inform Plaintiff that the Policy obtained did not have coverage which would provide as broad as possible Business Expense and Extra Income coverage applicable to Plaintiff’s business operations due to order of a civil authority relating to a public health emergency arising from a virus such as COVID-19.

248. As a direct and proximate result of Defendant’s negligence, Plaintiff has sustained substantial damages.

## COUNT VI

### **NEGLIGENT SUPPLYING OF INFORMATION FOR THE GUIDANCE OF OTHERS (Against Owens Group)**

249. Plaintiff realleges and incorporates by reference paragraphs 1 through 248 as if fully set forth herein.

250. In the event that the fact finder determines that the Policy does not cover Plaintiff’s

losses in full, this Count is pleaded in the alternative to Counts I to V and only against Defendant Owens Group.

251. Defendant Owens Group, for their own pecuniary interest, negligently supplied incorrect and incomplete information to Plaintiff regarding the applicability of the Business Income, Extra Expense, and Civil Authority coverage under the Policy.

252. Defendant Owens Group made the recommendations for coverage with the intent that Plaintiff purchase the Policy.

253. Plaintiff foreseeably and justifiably relied to its detriment on Defendant's recommendations, expertise, and affiliations, and followed its advice, which, in fact, included material and negligent misrepresentations and/or omissions, and, as a result, its coverage with Hartford was, if the fact finder determines that the Policy does not cover Plaintiff's losses in full, insufficient to compensate Plaintiff for its Business Income and Extra Expense losses resulting from the COVID-19 pandemic and the Closure Orders.

254. As a direct and proximate result of Defendant's negligent supplying of information, Plaintiff has sustained substantial damages for which Defendant Owens Group is liable, in an amount to be established at trial.

## **COUNT VII**

### **NEGLIGENT MISREPRESENTATION (Against Owens Group, Hartford and Sentinel)**

255. Plaintiff realleges and incorporates by reference paragraphs 1 through 254 as if fully set forth herein.

256. In the event that the fact finder determines that the Policy does not cover Plaintiff's losses in full, this Count is pleaded in the alternative to Counts I to VI and only against Defendants.

257. Defendant Owens Group misrepresented and/or failed to present material facts to

Plaintiff including, but not limited to, that Defendant Hartford would disclaim the coverage Plaintiff purchased for Civil Authority coverage, business interruption, and virus coverage. As a result, if the fact finder determines that the Policy does not cover Plaintiff's losses in full, Plaintiff paid substantial premiums on illusory coverage.

258. Defendant Owens Group made the recommendations for coverage with the intent that Plaintiff purchase the Policy.

259. Plaintiff foreseeably and justifiably relied to its detriment on Defendant Owens Group's recommendations, expertise, and affiliations, and followed their advice, which, in fact, included material and negligent misrepresentations and/or omissions, and, as a result, its coverage with Hartford was, if the fact finder determines that the Policy does not cover Plaintiff's losses in full, insufficient to compensate Plaintiff for its Business Income and Extra Expense losses resulting from the COVID-19 pandemic and the Closure Orders.

260. As a direct and proximate result of Defendant's negligent misrepresentations and omissions, Plaintiff has sustained substantial damages for which Defendant Owens Group is liable, in an amount to be established at trial.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for the following relief:

1. Enter declaratory judgment in favor of Plaintiff and against Defendants Sentinel and Hartford, declaring the Parties' rights and obligations under the Policy and declaring that Defendants Sentinel and Hartford owe coverage to Plaintiff for all business losses;
2. Enter Judgment in favor of Plaintiff against Defendants Sentinel and Hartford awarding compensatory, punitive and treble damages;



3. Awarding pre- and post-judgment interest, attorneys' fees, costs, and such other and further relief as the Court deems appropriate;
4. Judgment in favor of Plaintiff and against Defendant Owens Group for compensatory damages, attorneys' fees, interest, costs; and
5. for such other and further relief as the Court deems just, proper and equitable.

**JURY TRIAL DEMANDED**

Plaintiff demands a trial by jury on all issues so triable.

**CERTIFICATION PURSUANT TO R. 4:5-1**

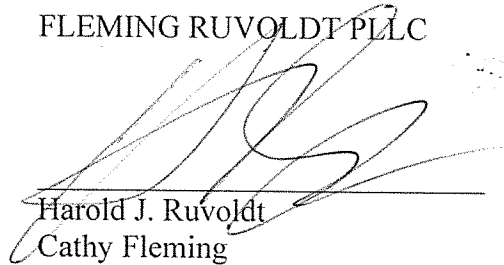
I hereby certify the that matter in controversy is not the subject of any other action pending in any Court, is not the subject of a pending arbitration proceeding, and is not the subject of any other contemplated action or arbitration proceeding.

**DESIGNATION OF TRIAL COUNSEL**

In accordance with R. 4:25-4, Harold Ruvoldt and Cathy Fleming are hereby designated as trial counsel for this matter.

Dated: May 4, 2021

FLEMING RUVOLDT PLLC

A handwritten signature in black ink, appearing to be "H. Ruvoldt", is written over a horizontal line.

Harold J. Ruvoldt

Cathy Fleming

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