

# WRF Wins Victory in 9/11 Business Interruption Insurance Case

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February 20, 2003

The District of Columbia Superior Court has dismissed a complaint seeking insurance coverage relating to September 11, 2001, ruling that no coverage existed for business interruption losses under a property insurance policy's "civil authority" provision. *Ridgewells, Inc. v. American Fire and Casualty Co.*, No. 02-2150 (D.C. Super. Ct. Feb. 12, 2003). WRF represents the insurer in this case.

Ridgewells, Inc., a catering company, caters events at the U.S. Capitol and other locations in the D.C. metro area. Ridgewells allegedly experienced business losses when events were cancelled on September 11, 2001 and in the following days. It asked its property insurer to pay for business interruption losses and food spoilage as a result of these cancellations. When the insurer denied the claims, Ridgewells filed suit in the D.C. Superior Court against the insurer and its insurance agent, alleging breach of contract, bad faith, negligent misrepresentation, and fraud. The insurer moved to dismiss the complaint as legally insufficient.

The D.C. Superior Court agreed with the insurer that Ridgewells' claim was outside the scope of the Spoilage Coverage form. The court also determined that the "described premises" clause only included Ridgewells' own business locations and not the "public buildings in Washington, where it was to cater events." Accordingly, because no action of civil authority prohibited access to Ridgewells' own locations, the court held that the civil authority coverage did not come into play. The court further noted that because Ridgewells did not suffer a "total suspension of its operations, it was likely ineligible for business interruption insurance." Finally, the court dismissed with

## Related Professionals

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prejudice Ridgewells' cause of action for bad faith, determining that, although there is a split of authority in the District of Columbia regarding whether there is a cause of action for bad faith, "the weight of authority indicates that this cause of action does not exist in this jurisdiction."

[View the court's decision.](#)