

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF WESTCHESTER

Index No.:
Date Purchased:

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STETSON REAL ESTATE LLC,

SUMMONS

Plaintiff,

-against-

Plaintiff designates
Westchester County as the
place of trial

HARTFORD FIRE INSURANCE COMPANY and
SENTINEL INSURANCE COMPANY, LIMITED.

,

Defendants.

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To the above named Defendants:

You are hereby summoned to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance on the Plaintiff's attorneys within twenty (20) days after the service of this summons, exclusive of the day of service, where service is made by delivery upon you personally within the state, or within 30 (30) days after completion of service where service is made in any other manner. In case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: New York, New York
August 19, 2020

Yours, etc.,

S/Steven Kent
STEVEN KENT
ALAN W. BORST, JR.
Attorneys for the Plaintiff
STETSON REAL ESTATE LLP

MESSNER REEVES LLP
733 Third Avenue, Suite 1619
New York, NY 10017

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF WESTCHESTER-----X
STETSON REAL ESTATE LLC,

Index No.:

Plaintiff,

-against-

VERIFIED COMPLAINTHARTFORD FIRE INSURANCE COMPANY and
SENTINEL INSURANCE COMPANY, LIMITED.

Defendants. .

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Plaintiff, STETSON REAL ESTATE LLC ("STETSON"), by its attorneys, Messner Reeves, LLP, as and for its Verified Complaint against the Defendants, respectfully alleges as follows:

PARTIES

1. At all relevant times, STETSON is a limited liability company, duly authorized and licensed to conduct the business of real estate in the State of New York, County of Westchester. Plaintiff's business office is located at 1214 Boston Post Road ("the Boston Post Road office") in the Village of Mamaroneck, Town of Rye, in the County of Westchester.

2. Upon information and belief, at all times hereinafter mentioned, defendants HARTFORD FIRE INSURANCE COMPANY, INC., (hereinafter "HARTFORD FIRE") and SENTINEL INSURANCE COMPANY ("SENTINEL") were and still are corporations duly organized and existing under and by virtue of the laws of the State of Connecticut.

3. At all relevant times, HARTFORD FIRE and SENTINEL (collectively "HARTFORD DEFENDANTS") are corporations doing business in the County of Westchester, State of New York, and subscribing to Policy Number 16 SBA II8723 (the "Policy"), issued to

STETSON for the period of July 6, 2019 through July 6, 2020. A copy of relevant and applicable provisions of the Policy is annexed hereto as exhibit (“Ex”) “A.”

4. Upon information and belief, at all times hereinafter mentioned, the principal offices of HARTFORD DEFENDANTS are located at One Hartford Plaza, Hartford, CT 06155.

JURISDICTION AND VENUE

5. For the time periods relevant to the allegations in the complaint, Plaintiffs and Defendants all were domiciled, qualified to conduct the business of insurance, or residing in Westchester County, New York.

6. STETSON is domiciled or resides in Westchester County, New York.

7. This Court has subject matter jurisdiction over the matters alleged herein. The HARTFORD DEFENDANTS engage in regular and frequent business activities and are transacting the business of insurance in the state of New York, and the basis of this suit arises out of such activities.

Business Income, Extra Expense and Dependent Properties Coverage

8. STETSON is an award-winning residential real estate agency owned and operated by Mary Stetson in the Village of Mamaroneck, New York. STETSON maintains direct and co-brokered listings for over 100 residential properties located in the Village and Town of Mamaroneck, Town of Rye, City of Rye, and southern Westchester and Fairfield counties. The office serves to promote the residential listings of its customers and STETSON employs full time and part time employees throughout the year at the Boston Post Road office.

9. On or about July 6, 2019, the HARTFORD DEFENDANTS entered into a renewal contract of insurance with STETSON, whereby STETSON agreed to make premium payments to the HARTFORD DEFENDANTS in exchange for the agreement of the

HARTFORD DEFENDANTS to insure and indemnify STETSON, among other things, for loss including business income loss in the event of a suspension or interruption of business.

10. The Policy provides, *inter alia*, aggregate limits of \$2,000,000, additional coverage limits for business income and for extra expense, and additionally provides for “extended” business income coverage.

11. The Policy is an “all-risk” policy and is written on a Special Property Coverage Form, which provides coverage caused by or resulting from a Covered Cause of Loss unless the loss is specifically excluded or limited in the Policy.

12. The Policy contains no virus exclusion.

13. The Policy extends coverage for direct physical loss and/or property damage caused by virus unless excluded.

14. The Policy specifically at page “10 of 25” of the Special Property Coverage Form provides coverage for actual business losses sustained and extra expenses incurred during a 12 month period following direct physical loss and/or damage to Covered Property, as such term is defined in the Policy. (See annexed Ex. "A").

15. The definition of business income ("Business Income") contained in the Policy's Business Income Additional Coverage is the same as the definition of business income in the Business Income From Dependent Properties Additional Coverage.

16. The Policy, at pages “11 of 25” and “12 of 25,” provides \$25,000 in “Dependent Properties” coverage for loss of business income and extra expense incurred by the insured business due to direct physical loss and/or damage occurring at Dependent Properties, as such

term is defined in the Policy. (See annexed Ex."A"). Dependent Properties*are defined as property owned by others within the coverage territory on which the insured depends for delivery of services to others for the insured's account. Dependent Properties also include property where others accept the insured's services or where customers are attracted to the insured's business. The residential listing properties of STETSON in and around New Rochelle, New York are Dependent Properties within the meaning of the Policy.

Civil Authority Coverage

17. The Policy provides at section "q" of Additional Coverages, at "page 11 of 25," Civil Authority Additional Coverage for:

the actual loss of business income sustained and the actual, necessary and reasonable extra expenses incurred when access to the scheduled premises is specifically prohibited by order of civil authority as the direct result of a Covered Cause of Loss to property in the immediate area of plaintiffs' scheduled premises.
See annexed Ex. "A."

18. In correspondence dated April 1, 2020, the HARTFORD DEFENDANTS issued a denial of coverage, but did not deny therein that access to the scheduled premises of STETSON was specifically suspended and/or prohibited by an order of a civil authority during the period of insurance coverage. A copy of the denial of coverage letter is annexed hereto as Ex. "B."

The State of Emergency Declared in Westchester Due to the Pandemic

19. On March 7, 2020 New York Governor Andrew Cuomo announced a state of emergency in the State of New York due to the coronavirus pandemic.

20. On March 10, Governor Cuomo publicly announced the discovery of a virus "cluster" in New Rochelle, New York and declared a "containment zone" within a one-mile

* Initial capitalized policy terms are as set forth in the policy throughout this verified complaint

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