To make available insurance coverage for business interruption losses due to viral pandemics, forced closures of businesses, mandatory evacuations, and public safety power shut-offs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2020

Mr. THOMPSON of California (for himself, Mr. LARSON of Connecticut, Mr. HASTINGS, Mrs. NAPOLITANO, Mr. ROGERS of Alabama, Mr. McNERNEY, Mr. CISNEROS, Mr. COX of California, Mr. GARAMENDI, and Mr. SOTO) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To make available insurance coverage for business interruption losses due to viral pandemics, forced closures of businesses, mandatory evacuations, and public safety power shut-offs, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Business Interruption

5 Insurance Coverage Act of 2020”.
SEC. 2. BUSINESS INTERRUPTION COVERAGE REQUIREMENTS.

Effective upon the date of the enactment of this Act, each insurer that offers or makes available business interruption insurance coverage—

(1) shall make available, in all of its policies providing business interruption insurance, coverage for losses resulting from—

(A) any viral pandemic;

(B) any forced closure of businesses, or mandatory evacuation, by law or order of any government or governmental officer or agency, including the Federal Government and State and local governments; or

(C) any power shut-off conducted for public safety purposes; and

(2) shall make available business interruption insurance coverage for losses specified in paragraph (1) that does not differ materially from the terms, amounts, and other coverage limitations applicable to losses arising from events other than those specified in paragraph (1).

SEC. 3. PREEMPTION AND NULLIFICATION OF PRE-EXISTING EXCLUSIONS.

(a) GENERAL NULLIFICATION.—Any exclusion in a contract for business interruption insurance that is in
force on the date of the enactment of this Act shall be void to the extent that it excludes losses specified in section 2(1).

(b) General Preemption.—Any State approval of any exclusion of losses from a contract for business interruption insurance that is in force on the date of the enactment of this Act shall be void to the extent that it excludes losses specified in section 2(1).

(e) Reinstatement of Exclusions.—Notwithstanding subsections (a) and (b) or any provision of State law, an insurer may reinstate a preexisting provision in a contract for business interruption insurance that is in force on the date of the enactment of this Act and that excludes coverage for losses specified in section 2(1) only—

(1) if the insurer has received a written statement from the insured that affirmatively authorizes such reinstatement; or

(2) if—

(A) the insured fails to pay any increased premium charged by the insurer for providing such business interruption coverage; and

(B) the insurer provided notice, at least 30 days before any such reinstatement, of—
(i) the increased premium for such business interruption coverage; and

(ii) the rights of the insured with respect to such coverage, including any date upon which the exclusion would be reinstated if no payment is received.

SEC. 4. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) BUSINESS INTERRUPTION INSURANCE COVERAGE.—The term “business interruption insurance coverage” means property and casualty insurance coverage provided or made available for losses resulting from periods of suspended business operations, whether provided under broader coverage or separately.

(2) INSURER.—The term “insurer” has the meaning given such term in section 102 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note).