AN ACT

Providing for insurance coverage for business interruption.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short title. This act shall be known and may be cited as the Business Interruption Insurance Act.

Section 2. Definitions. The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Commissioner." The Insurance Commissioner of the Commonwealth.

"Eligible employee." A full-time employee who works a normal work week of at least 25 hours.

"Insurance policy." A policy, subscriber contract,
certificate or plan that:

(1) is offered, issued or renewed by an insurer;
(2) provides for property and casualty insurance; and
(3) does not exclusively provide for life insurance or health insurance, or both.

"Insurer." As follows:

(1) An entity licensed or authorized to conduct the business of insurance that is governed under the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921.
(2) The term excludes a risk retention group under Article XV of The Insurance Company Law of 1921.

"Net written premiums received." Gross direct premiums written, less return premiums and dividends credited or paid to policyholders, as reported on an insurer's annual financial statement.


(a) Coverage regarding coronavirus.—Notwithstanding any other law, rule or regulation, an insurance policy that insures against loss or damage to property, which includes the loss of use and occupancy and business interruption, in force in this Commonwealth on March 6, 2020, which is the date of the Proclamation of Disaster Emergency concerning the coronavirus pandemic, shall be construed to include among the covered perils under the insurance policy coverage for business interruption due to global virus transmission or pandemic.

(b) Indemnification.—The coverage required by this section shall indemnify the insured of an insurance policy, subject to the broadest or greatest limit and lowest deductible afforded to business interruption coverage under the insurance policy, for
any loss of business or business interruption for the duration
of the declaration of disaster emergency described in subsection
(a).
(c) Applicability.--This section shall apply to an insurance
policy that is:
(1) issued to an insured of an insurance policy if the
insured has fewer than 100 eligible employees in this
Commonwealth; and
(2) in force on March 6, 2020.

Section 4. Relief and reimbursement.
(a) Application.--An insurer that indemnifies an insured of
an insurance policy that has filed a claim under section 3 may
apply to the commissioner for relief and reimbursement by the
commissioner from money collected and made available for this
purpose, as provided in section 5 or otherwise in accordance
with Federal or State law.
(b) Procedures.--The commissioner shall establish procedures
for the submission and qualification of claims by insurers that
are eligible for reimbursement under this section. The
commissioner shall incorporate into the procedures:
(1) standards that are necessary to protect against the
submission of fraudulent claims by insureds; and
(2) appropriate safeguards for insurers to use in the
review and payment of claims.

Section 5. Special purpose apportionments.
(a) Authorization.--The commissioner may impose upon,
distribute among and collect from insurers engaged in providing
property and casualty insurance in this Commonwealth, whether or
not the property and casualty insurance specifically includes
coverage for business interruptions, additional amounts
necessary to recover the amounts paid to insurers under section 4.

(b) Distribution.--The additional special purpose apportionment authorized under subsection (a) shall be distributed in the proportion that the net written premiums received by each insurer subject to the apportionment under this section for insurance written or renewed on risks in this Commonwealth, during the calendar year immediately preceding, bears to the sum total of all the net written premiums received by all insurers writing that property and casualty insurance within this Commonwealth during that same calendar year, as reported.

Section 6. Effective date.

This act shall take effect immediately.