

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

A. Coverage

1. Business Income

Business Income means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises means:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.

- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

3. Covered Causes Of Loss, Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Limitation – Interruption Of Computer Operations

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

5. Additional Coverages

a. Civil Authority

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
 - (2) When your Civil Authority Coverage for Business Income ends;
- whichever is later.

b. Alterations And New Buildings

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
 - (a) Used in the construction, alterations or additions; or
 - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

c. Extended Business Income

(1) Business Income Other Than "Rental Value"

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
 - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (1)(a) above.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(2) "Rental Value"

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this policy, we will pay for the actual loss of "Rental Value" you incur during the period that:

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
 - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 60 consecutive days after the date determined in (2)(a) above.

However, Extended Business Income does not apply to loss of "Rental Value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

Loss of "Rental Value" must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

d. Interruption Of Computer Operations

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations – does not apply based on Paragraph **A.4.d.** therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Interruption Of Computer Operations.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
 - (1) This policy expires;

- (2) 30 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

The Additional Condition, Coinsurance, does not apply to this Extension.

B. Limits Of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

C. Loss Conditions

The following conditions apply in addition to the Common Policy Conditions and the Commercial Property Conditions:

1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

2. Duties In The Event Of Loss

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the direct physical loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

- (6) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (7) Cooperate with us in the investigation or settlement of the claim.
 - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
 - (1) The Net Income of the business before the direct physical loss or damage occurred;
 - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
 - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
 - (4) Other relevant sources of information, including:
 - (a) Your financial records and accounting procedures;
 - (b) Bills, invoices and other vouchers; and
 - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
 - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
 - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

4. Loss Payment

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

D. Additional Condition

COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- 1. The Coinsurance percentage shown for Business Income in the Declarations; times
- 2. The sum of:
 - a. The Net Income (Net Profit or Loss before income taxes), and
 - b. Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

Instead, we will determine the most we will pay using the following steps:

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form CP 15 11 is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form CP 15 10 is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 150,000
The amount of loss is: \$ 80,000

Step (1): $\$400,000 \times 50\% = \$200,000$
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$150,000 \div \$200,000 = .75$

Step (3): $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000
The Coinsurance percentage is: 50%
The Limit of Insurance is: \$ 200,000
The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$400,000 \times 50\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

E. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item.

1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:
 - (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
 - (2) The Limit Of Insurance shown in the Declarations.

2. Monthly Limit Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Limit of Insurance, multiplied by
 - (2) The fraction shown in the Declarations for this Optional Coverage.

Example

When: The Limit of Insurance is: \$ 120,000
 The fraction shown in the Declarations for this Optional Coverage is: 1/4
 The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000
 (\$120,000 x 1/4 = \$30,000)
 If, in this example, the actual amount of loss is:

Days 1–30:	\$ 40,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	\$ 90,000

We will pay:

Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	\$ 80,000

The remaining \$10,000 is not covered.

3. Business Income Agreed Value

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - (a) During the 12 months prior to the date of the Work Sheet; and

- (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
 - (a) The Coinsurance percentage shown in the Declarations; multiplied by
 - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
 - (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
 - (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
 - (1) The Business Income Limit of Insurance; divided by
 - (2) The Agreed Value.

Example

When: The Limit of Insurance is: \$ 100,000
 The Agreed Value is: \$ 200,000
 The amount of loss is: \$ 80,000
 Step (1): $\$100,000 \div \$200,000 = .50$
 Step (2): $.50 \times \$80,000 = \$40,000$

We will pay \$40,000. The remaining \$40,000 is not covered.

4. Extended Period Of Indemnity

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
 - a. Your business activities occurring at the described premises; and
 - b. The tenantability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;
caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Rental Value" means Business Income that consists of:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
 - b. Continuing normal operating expenses incurred in connection with that premises, including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

**COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY**

- A.** The exclusion set forth in Paragraph B. applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
- However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph B., such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
1. Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 2. Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph B., or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

As Introduced

133rd General Assembly

Regular Session

2019-2020

H. B. No. 589

Representatives Crossman, Rogers

A BILL

To require insurers offering business interruption insurance to cover losses attributable to viruses and pandemics and to declare an emergency. 1
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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. (A) As used in this section: 5

(1) "Eligible employee" means a full-time employee who works a normal work week of twenty-five or more hours. 6
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(2) "Net written premiums received" means gross direct premiums written, less return premiums thereon and dividends credited or paid to policyholders, as reported on the company's annual financial statement. 8
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(3) "State of emergency" means the state of emergency declared under Executive Order 2020-01D, issued on March 9, 2020, to protect the well-being of Ohio citizens from the dangerous effects of COVID-19. 12
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(B) Notwithstanding any other law or rule to the contrary, every policy of insurance insuring against loss or damage to property, which includes the loss of use and occupancy and 16
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business interruption, in force in this state on the effective 19
date of this section, shall be construed to include among the 20
covered perils under that policy, coverage for business 21
interruption due to global virus transmission or pandemic during 22
the state of emergency. 23

(C) The coverage required by this section shall indemnify 24
the insured, subject to the limits under the policy, for any 25
loss of business or business interruption for the duration of 26
the state of emergency. 27

(D) This section shall only apply to policies issued to 28
insureds that meet all of the following: 29

(1) The business in question is located in this state. 30

(2) The business employs one hundred or fewer eligible 31
employees. 32

(3) The business was covered by a policy of insurance as 33
described in division (B) of this section that was in force on 34
the effective date of this section. 35

(E) An insurer that indemnifies an insured who has filed a 36
claim pursuant to division (B) of this section may apply to the 37
Superintendent of Insurance for relief and reimbursement from 38
funds collected and made available for this purpose as provided 39
in division (F) of this section. 40

(F) (1) The Superintendent shall establish procedures for 41
the submission and qualification of claims by insurers that are 42
eligible for reimbursement under division (E) of this section. 43
The Superintendent shall incorporate in these procedures such 44
standards as are necessary to protect against the submission of 45
fraudulent claims by insureds, and appropriate safeguards for 46
insurers to employ in the review and payment of claims made by 47

businesses under division (B) of this section. 48

(2) The Superintendent may pay such claims in accordance 49
with either of the following: 50

(a) Pay the claims as they are received from such funds as 51
are available to the Superintendent; 52

(b) Pay the claims after the assessment charged under 53
division (G) of this section is collected from the collected 54
amounts. 55

(G) (1) The Superintendent shall charge an assessment to 56
insurers engaged in the business of insurance under Chapter 57
3937. of the Revised Code in an amount as necessary to recover 58
the amounts paid to insurers pursuant to this section. 59

(2) This assessment shall be distributed in proportion to 60
the net written premiums received by each company subject to the 61
assessment on risks in this state during the calendar year 62
immediately preceding the effective date of this section. 63

(3) Funds collected pursuant to the assessment shall be 64
deposited in the Business Interruption Insurance Fund, which is 65
hereby created in the state treasury. The Superintendent shall 66
use the fund to either pay claims to insurers as required under 67
this section or to reimburse other funds as needed, if claims 68
were paid prior to the collection of the assessment. 69

(4) Any amounts remaining in the Business Interruption 70
Insurance Fund after the final claim has been paid or after 71
funds have been reimbursed for claims paid shall be returned to 72
insurers in a manner prescribed in rule by the Superintendent. 73

(5) When the balance of the Business Interruption 74
Insurance Fund is zero, the fund shall be dissolved. 75

(H) The Superintendent of Insurance may adopt rules to 76
implement this section. These rules shall not be subject to 77
division (F) of section 121.95 of the Revised Code. 78

Section 2. This act is hereby declared to be an emergency 79
measure necessary for the immediate preservation of the public 80
peace, health, and safety. The reason for such necessity is to 81
protect small businesses from catastrophic losses caused by 82
commercial decline necessary to prevent the spread of COVID-19. 83
Therefore, this act shall go into immediate effect. 84

2020 Regular Session

SENATE BILL NO. 477

BY SENATOR WARD

INSURANCE POLICIES. Provides relative to business interruption insurance. (gov sig)

1 AN ACT

2 To enact R.S. 22:1272 and 1273, relative to property insurance; to require insurers to cover
3 certain claims related to business interruption; to provide for required notice; and to
4 provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1272 is hereby enacted to read as follows:

7 **§1272. Business interruption; 2020 pandemic**

8 **A. Notwithstanding any other provision of law to the contrary, every**
9 **policy of insurance in force in this state on March 11, 2020, and thereafter**
10 **insuring against loss or damage to property that includes the loss of use, loss of**
11 **occupancy, or business interruption shall be construed to include among the**
12 **perils covered under that policy, coverage for business interruption due to**
13 **imminent threat posed by COVID-19 as provided in Proclamation Number 25**
14 **JBE 2020, declaring the existence of a statewide public health emergency.**

15 **B. The coverage required by this Section shall indemnify the insured,**
16 **subject to the limits of the policy, for any loss of business or business**
17 **interruption for the duration of the declared state of emergency.**

1 C. The provisions of this Section shall be applied retroactively to March
2 11, 2020, and shall apply to losses incurred during the declared state of
3 emergency.

4 Section 2. R.S. 22:1273 is hereby enacted to read as follows:

5 §1273. Business interruption insurance; notice of exclusions

6 A. Every policy of insurance covering business interruption delivered
7 or issued for delivery in this state on and after August 1, 2020, shall include a
8 notice of all exclusions on a form prescribed by the commissioner of insurance.
9 The form shall be provided by the insurer and signed by the named insured or
10 his legal representative.

11 B. The signed form shall be conclusively presumed to become a part of
12 the policy or contract when issued and delivered, irrespective of whether
13 physically attached thereto. A properly completed and signed form creates a
14 rebuttable presumption that the insured knowingly contracted for coverage
15 with the stated exclusions. The form signed by the insured or his legal
16 representative which initially accepts coverage with the exclusions shall remain
17 valid for the life of the policy and shall not require the completion of a new form
18 when a renewal, reinstatement, substitute, or amended policy is issued to the
19 same named insured by the same insurer or any of its affiliates.

20 C. Any change to an existing policy, regardless of whether the change
21 creates new coverage, does not create a new policy and does not require the
22 completion of a new form. For the purpose of this Section, a new policy shall
23 mean an original contract of insurance which an insured enters into through the
24 completion of an application on the form required by the insurer.

25 D. The requirements of this Section shall apply to any property
26 insurance covering any business interruption which occurs in this state and
27 involves a Louisiana business.

28 Section 3. This Act shall become effective upon signature by the governor or, if not
29 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 3 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by LG Sullivan.

DIGEST

SB 477 Original

2020 Regular Session

Ward

Proposed law requires every policy of insurance in force in this state on March 11, 2020, and thereafter insuring against loss or damage to property that includes the loss of use and occupancy and business interruption to be construed to include coverage for business interruption due to the threat posed by COVID-19 as provided in Proclamation Number 25 JBE 2020, declaring the existence of a statewide public health emergency. Requires the coverage to indemnify the insured, subject to the limits of the policy, for any loss of business or business interruption. Applies retroactively to March 11, 2020, to losses incurred during the declared state of emergency.

Proposed law requires every policy of insurance covering business interruption delivered or issued for delivery in this state on and after August 1, 2020, to include a notice of all exclusions on a form prescribed by the commissioner of insurance. Requires the form to be provided by the insurer and signed by the named insured or his legal representative.

Proposed law provides that the signed form shall be conclusively presumed to become a part of the policy or contract and creates a rebuttable presumption that the insured knowingly contracted for coverage with the stated exclusions.

Proposed law applies to any property insurance covering any business interruption that occurs in La. and involves a La. business.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 22:1272 and 1273)

2020 Regular Session

SENATE BILL NO. 477

BY SENATOR WARD

INSURANCE POLICIES. Provides relative to business interruption insurance. (gov sig)

1 AN ACT

2 To enact R.S. 22:1272 and 1273, relative to property insurance; to require insurers to cover
3 certain claims related to business interruption; to provide for required notice; and to
4 provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1272 is hereby enacted to read as follows:

7 **§1272. Business interruption; 2020 pandemic**

8 **A. Notwithstanding any other provision of law to the contrary, every**
9 **policy of insurance in force in this state on March 11, 2020, and thereafter**
10 **insuring against loss or damage to property that includes the loss of use, loss of**
11 **occupancy, or business interruption shall be construed to include among the**
12 **perils covered under that policy, coverage for business interruption due to**
13 **imminent threat posed by COVID-19 as provided in Proclamation Number 25**
14 **JBE 2020, declaring the existence of a statewide public health emergency.**

15 **B. The coverage required by this Section shall indemnify the insured,**
16 **subject to the limits of the policy, for any loss of business or business**
17 **interruption for the duration of the declared state of emergency.**

1 C. The provisions of this Section shall be applied retroactively to March
2 11, 2020, and shall apply to losses incurred during the declared state of
3 emergency.

4 Section 2. R.S. 22:1273 is hereby enacted to read as follows:

5 §1273. Business interruption insurance; notice of exclusions

6 A. Every policy of insurance covering business interruption delivered
7 or issued for delivery in this state on and after August 1, 2020, shall include a
8 notice of all exclusions on a form prescribed by the commissioner of insurance.
9 The form shall be provided by the insurer and signed by the named insured or
10 his legal representative.

11 B. The signed form shall be conclusively presumed to become a part of
12 the policy or contract when issued and delivered, irrespective of whether
13 physically attached thereto. A properly completed and signed form creates a
14 rebuttable presumption that the insured knowingly contracted for coverage
15 with the stated exclusions. The form signed by the insured or his legal
16 representative which initially accepts coverage with the exclusions shall remain
17 valid for the life of the policy and shall not require the completion of a new form
18 when a renewal, reinstatement, substitute, or amended policy is issued to the
19 same named insured by the same insurer or any of its affiliates.

20 C. Any change to an existing policy, regardless of whether the change
21 creates new coverage, does not create a new policy and does not require the
22 completion of a new form. For the purpose of this Section, a new policy shall
23 mean an original contract of insurance which an insured enters into through the
24 completion of an application on the form required by the insurer.

25 D. The requirements of this Section shall apply to any property
26 insurance covering any business interruption which occurs in this state and
27 involves a Louisiana business.

28 Section 3. This Act shall become effective upon signature by the governor or, if not
29 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 3 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by LG Sullivan.

DIGEST

SB 477 Original

2020 Regular Session

Ward

Proposed law requires every policy of insurance in force in this state on March 11, 2020, and thereafter insuring against loss or damage to property that includes the loss of use and occupancy and business interruption to be construed to include coverage for business interruption due to the threat posed by COVID-19 as provided in Proclamation Number 25 JBE 2020, declaring the existence of a statewide public health emergency. Requires the coverage to indemnify the insured, subject to the limits of the policy, for any loss of business or business interruption. Applies retroactively to March 11, 2020, to losses incurred during the declared state of emergency.

Proposed law requires every policy of insurance covering business interruption delivered or issued for delivery in this state on and after August 1, 2020, to include a notice of all exclusions on a form prescribed by the commissioner of insurance. Requires the form to be provided by the insurer and signed by the named insured or his legal representative.

Proposed law provides that the signed form shall be conclusively presumed to become a part of the policy or contract and creates a rebuttable presumption that the insured knowingly contracted for coverage with the stated exclusions.

Proposed law applies to any property insurance covering any business interruption that occurs in La. and involves a La. business.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 22:1272 and 1273)

2020 Regular Session

HOUSE BILL NO. 858

BY REPRESENTATIVE DUPLESSIS

INSURANCE: Provides relative to business interruption claims due to the coronavirus disease 2019 pandemic

1 AN ACT

2 To enact R.S. 22:1897, relative to business interruption insurance claims; to require
3 coverage for business interruption claims due to coronavirus disease 2019; to provide
4 for the scope of coverage; to provide for applicability; to provide for retroactive
5 application; to provide for effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1897 is hereby enacted to read as follows:

8 §1897. Claims involving business interruptions; coverage for claims arising from
9 global virus transmission or pandemic

10 A. Notwithstanding any other provisions of law to the contrary, every policy
11 of insurance insuring against loss or damage to property, which includes the loss of
12 use and occupancy and business interruption in force in this state on the effective
13 date of this Act, shall be construed to include among the covered perils under such
14 a policy, coverage for business interruption due to global virus transmission or
15 pandemic, as provided in the Emergency Proclamation Number 25 JBE 2020 and the
16 related supplemental proclamations concerning the coronavirus disease 2019
17 pandemic.

18 B. Insurers shall indemnify insured policyholders who have policies that
19 provide the coverage required pursuant to this Section, subject to the limits of the

1 insured's policy, for any loss of business or business interruption for the duration of
2 the declared public health emergency.

3 C. This Section shall apply to policies issued to insureds with less than one
4 hundred full-time employees, in this state, and in force on the effective date of this
5 Act.

6 Section 2. The provisions of this Act shall be given prospective and retroactive
7 application and shall be applied retroactively to March 11, 2020 to insurance policies
8 described in Section 1 of this Act and in force on that date.

9 Section 3. This Act shall become effective upon signature by the governor or, if not
10 signed by the governor, upon expiration of the time for bills to become law without signature
11 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
12 vetoed by the governor and subsequently approved by the legislature, this Act shall become
13 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 858 Original

2020 Regular Session

Duplessis

Abstract: Provides for recovery of losses from insurers providing business interruption coverage for businesses that suffered losses due to interruption as a result of the coronavirus disease 2019 pandemic.

Proposed law requires insurers that write policies which provide coverage for loss or damage to property that also provide for coverage of loss of use and occupancy and business interruption that are in force on the effective date of this Act, to construe such policies to include coverage of business interruptions due to the coronavirus disease 2019 pandemic.

Proposed law requires insurers to indemnify policyholders who have policies that provide coverage under proposed law, subject to the extent of the policyholder's policy, for any loss business interruption loss incurred during the public health emergency.

Proposed law applies to policies issued to insurers who have less than 100 full-time employees.

Proposed law provides that the provisions of proposed law will be given both prospective and retroactive application, and will apply retroactively to March 11, 2020.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 22:1897)

SENATE No. 2655

The Commonwealth of Massachusetts

PRESENTED BY:

James B. Eldridge

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act concerning business interruption insurance.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	
<i>Nika C. Elugardo</i>	<i>15th Suffolk</i>	<i>3/25/2020</i>
<i>Jack Patrick Lewis</i>	<i>7th Middlesex</i>	<i>3/27/2020</i>
<i>Patrick M. O'Connor</i>	<i>Plymouth and Norfolk</i>	<i>3/27/2020</i>
<i>Marc R. Pacheco</i>	<i>First Plymouth and Bristol</i>	<i>3/27/2020</i>
<i>William L. Crocker, Jr.</i>	<i>2nd Barnstable</i>	<i>3/27/2020</i>
<i>Christopher Hendricks</i>	<i>11th Bristol</i>	<i>3/27/2020</i>
<i>Kay Khan</i>	<i>11th Middlesex</i>	<i>3/27/2020</i>
<i>Lindsay N. Sabadosa</i>	<i>1st Hampshire</i>	<i>3/27/2020</i>
<i>John H. Rogers</i>	<i>12th Norfolk</i>	<i>3/27/2020</i>
<i>Paul A. Schmid, III</i>	<i>8th Bristol</i>	<i>3/27/2020</i>
<i>Tami L. Gouveia</i>	<i>14th Middlesex</i>	<i>3/27/2020</i>
<i>Edward F. Coppinger</i>	<i>10th Suffolk</i>	<i>3/27/2020</i>
<i>Antonio F. D. Cabral</i>	<i>13th Bristol</i>	<i>3/27/2020</i>
<i>Joseph A. Boncore</i>	<i>First Suffolk and Middlesex</i>	<i>3/27/2020</i>
<i>Tram T. Nguyen</i>	<i>18th Essex</i>	<i>3/28/2020</i>
<i>Michael O. Moore</i>	<i>Second Worcester</i>	<i>3/30/2020</i>
<i>Denise Provost</i>	<i>27th Middlesex</i>	<i>3/30/2020</i>

<i>David Henry Argosky LeBoeuf</i>	<i>17th Worcester</i>	<i>3/30/2020</i>
<i>Harriette L. Chandler</i>	<i>First Worcester</i>	<i>3/30/2020</i>
<i>Linda Dean Campbell</i>	<i>15th Essex</i>	<i>3/30/2020</i>
<i>Walter F. Timilty</i>	<i>Norfolk, Bristol and Plymouth</i>	<i>3/30/2020</i>
<i>Adrian C. Madaro</i>	<i>1st Suffolk</i>	<i>3/30/2020</i>
<i>Mike Connolly</i>	<i>26th Middlesex</i>	<i>3/31/2020</i>
<i>Nick Collins</i>	<i>First Suffolk</i>	<i>3/31/2020</i>
<i>Sal N. DiDomenico</i>	<i>Middlesex and Suffolk</i>	<i>3/31/2020</i>
<i>Diana DiZoglio</i>	<i>First Essex</i>	<i>4/2/2020</i>
<i>Dylan A. Fernandes</i>	<i>Barnstable, Dukes and Nantucket</i>	<i>4/2/2020</i>
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	<i>4/2/2020</i>
<i>David Biele</i>	<i>4th Suffolk</i>	<i>4/2/2020</i>
<i>Paul R. Feeney</i>	<i>Bristol and Norfolk</i>	<i>4/2/2020</i>
<i>Dean A. Tran</i>	<i>Worcester and Middlesex</i>	<i>4/2/2020</i>
<i>Mary S. Keefe</i>	<i>15th Worcester</i>	<i>4/2/2020</i>
<i>Bradley H. Jones, Jr.</i>	<i>20th Middlesex</i>	<i>4/2/2020</i>
<i>Jay D. Livingstone</i>	<i>8th Suffolk</i>	<i>4/7/2020</i>
<i>Thomas M. Stanley</i>	<i>9th Middlesex</i>	<i>4/7/2020</i>
<i>Anne M. Gobi</i>	<i>Worcester, Hampden, Hampshire and Middlesex</i>	<i>4/9/2020</i>
<i>Adam G. Hinds</i>	<i>Berkshire, Hampshire, Franklin and Hampden</i>	<i>4/10/2020</i>
<i>Michael D. Brady</i>	<i>Second Plymouth and Bristol</i>	<i>4/10/2020</i>
<i>Thomas P. Walsh</i>	<i>12th Essex</i>	<i>4/14/2020</i>
<i>RoseLee Vincent</i>	<i>16th Suffolk</i>	<i>4/15/2020</i>
<i>Susan Williams Gifford</i>	<i>2nd Plymouth</i>	<i>4/16/2020</i>
<i>Frank A. Moran</i>	<i>17th Essex</i>	<i>4/22/2020</i>
<i>David T. Vieira</i>	<i>3rd Barnstable</i>	<i>4/23/2020</i>

SENATE No. 2655

By Mr. Eldridge, a petition (accompanied by bill, Senate, No. 2655) (subject to Joint Rule 12) of James B. Eldridge, Nika C. Elugardo, Jack Patrick Lewis, Patrick M. O'Connor and other members of the General Court for legislation to concern business interruption insurance. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act concerning business interruption insurance.

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to require certain insurance companies in the commonwealth to provide business interruption insurance coverage to their insured in connection with the COVID-19 pandemic, therefore it is hereby declared to be an emergency law, necessary for the immediate preservation of the public safety, health and convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. (a) Notwithstanding the provisions of any other law, rule or regulation to
2 the contrary, every policy of insurance insuring against loss or damage to property,
3 notwithstanding the terms of such policy (including any endorsement thereto or exclusions to
4 coverage included therewith) which includes, as of the effective date of this act, the loss of use
5 and occupancy and business interruption in force in the commonwealth, shall be construed to
6 include among the covered perils under such policy coverage for business interruption directly or
7 indirectly resulting from the global pandemic known as COVID-19, including all mutated forms
8 of the COVID-19 virus. Moreover, no insurer in the commonwealth may deny a claim for the
9 loss of use and occupancy and business interruption on account of (i) COVID-19 being a virus

10 (even if the relevant insurance policy excludes losses resulting from viruses); or (ii) there being
11 no physical damage to the property of the insured or to any other relevant property.

12 (b) Subject to (i) any monetary limits of the policy and (ii) any maximum length of time
13 set forth in the policy for such business interruption coverage, the coverage required by this
14 section shall cover the insured for any loss of business or business interruption until such time as
15 the emergency declaration issued by the governor, dated March 10, 2020, and designated as
16 executive order number 591, is rescinded by the governor.

17 (c) This act shall apply only to policies issued to insureds with 150 or fewer full-time-
18 equivalent employees in the commonwealth, and which are in force on the effective date of this
19 act, or that become effective prior to the date on which executive order number 591 is rescinded
20 by the governor.

21 SECTION 2. (a) An insurer that is required to provide coverage to an insured that has
22 filed a claim pursuant to Section 1 of this act may apply to the commissioner of insurance for
23 relief and reimbursement from funds collected and made available for such purpose as provided
24 in Section 3 of this act.

25 (b) The commissioner of insurance shall establish procedures for the submission and
26 qualification of claims by insurers which are eligible for reimbursement pursuant to this section.
27 In addition, the commissioner of insurance shall establish procedures and standards to protect
28 against fraudulent claims for reimbursement by the commonwealth by the insurers, and
29 appropriate safeguards for insurers to employ in the review and payment of such claims by their
30 insureds.

31 SECTION 3. (a) In addition to the assessments made pursuant to Section 8C of Chapter
32 26 of the General Laws, the commissioner of insurance is authorized to make one or more
33 assessments in each fiscal year against licensed insurers in the commonwealth that sell business
34 interruption insurance as may be necessary to recover the amounts paid, or estimated to be paid,
35 to insurers pursuant to Section 2 of this act. Any such assessment shall be made at a rate and
36 shall be determined and certified by the commissioner as sufficient to recover the amounts paid
37 to insurers pursuant to Section 2 of this act. The amount to be so assessed shall be made against
38 all licensed domestic companies and foreign companies in proportion to their net premiums
39 written and annuity considerations in the commonwealth as shown in the annual report of each of
40 said insurers filed with the Division of insurance. Said assessment shall reimburse the
41 commonwealth for funds appropriated for such reimbursement. Assessments under this section
42 shall be charged to the normal operating cost of each company. For the purposes of this section,
43 the term "licensed insurer" shall have the same meaning as defined in Section 8C of Chapter 26
44 of the General Laws.

45 SECTION 4. For the avoidance of doubt, this act is subject to Chapter 176D of the
46 General Laws.

ASSEMBLY, No. 3844
STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED MARCH 16, 2020

Sponsored by:

Assemblyman ROY FREIMAN
District 16 (Hunterdon, Mercer, Middlesex and Somerset)
Assemblyman LOUIS D. GREENWALD
District 6 (Burlington and Camden)
Assemblywoman ANNETTE CHAPARRO
District 33 (Hudson)

Co-Sponsored by:

Assemblywomen Reynolds-Jackson, McKnight, Lopez, Assemblymen Wimberly, Mazzeo, Chiaravalloti, Assemblywoman Jasey, Assemblyman Mejia, Assemblywomen Jimenez, Swain and Assemblyman Zwicker

SYNOPSIS

Concerns business interruption insurance during coronavirus disease 2019 state of emergency.

CURRENT VERSION OF TEXT

As introduced.

AN ACT concerning certain covered perils under business interruption insurance and supplementing Title 17 of the Revised Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. a. Notwithstanding the provisions of any other law, rule or regulation to the contrary, every policy of insurance insuring against loss or damage to property, which includes the loss of use and occupancy and business interruption in force in this State on the effective date of this act, shall be construed to include among the covered perils under that policy, coverage for business interruption due to global virus transmission or pandemic, as provided in the Public Health Emergency and State of Emergency declared by the Governor in Executive Order 103 of 2020 concerning the coronavirus disease 2019 pandemic.

b. The coverage required by this section shall indemnify the insured, subject to the limits under the policy, for any loss of business or business interruption for the duration of that declared State of Emergency.

c. This section shall apply to policies issued to insureds with less than 100 eligible employees, in the State of New Jersey, and in force on the effective date of this act. "Eligible employee" means a full-time employee who works a normal work week of 25 or more hours.

2. a. An insurer which indemnifies an insured who has filed a claim pursuant to section 1 of this act may apply to the Commissioner of Banking and Insurance for relief and reimbursement by the commissioner from funds collected and made available for this purpose as provided in section 3 of this act.

b. The commissioner shall establish procedures for the submission and qualification of claims by insurers which are eligible for reimbursement pursuant to this section. The commissioner shall incorporate in these procedures such standards as are necessary to protect against the submission of fraudulent claims by insureds, and appropriate safeguards for insurers to employ in the review and payment of such claims.

3. a. In addition to the special purpose apportionment made pursuant to section 2 of P.L. 1995, c.156 (C.17:1C-20), the Commissioner of Banking and Insurance is authorized to impose upon, distribute among, and collect from the companies engaged in business pursuant to subtitle 3 of Title 17 of the Revised Statutes, such additional amounts as may be necessary to recover the amounts paid to insurers pursuant to section 2 of this act.

b. The additional special purpose apportionment authorized pursuant to subsection a. of this section shall be distributed in the proportion that the net written premiums received by each company subject to the apportionment authorized by this section for insurance written or renewed on risks in this State during the calendar year immediately preceding, bears to the sum total of all such net written premiums received by all companies writing that insurance or coverage within the State during that calendar year, as reported. The commissioner shall adopt the same procedures and calculations as are provided in section 2 of P.L.1995, c.156 (C.17:1C-20) as appropriate to calculate the additional special purpose apportionment authorized by this section.

c. For the purposes of this section, "net written premiums received" means gross direct premiums written, less return premiums thereon and dividends credited or paid to policyholders, as reported on the company's annual financial statement.

4. This act shall take effect immediately, shall be retroactive to March 9, 2020 and shall apply to insurance policies described in section 1 of this act and in force on that date.

STATEMENT

This bill provides a mechanism by which certain businesses that suffer losses due to interruption as a result of the coronavirus disease 2019 pandemic may recover those losses from their insurer if they had a policy of business interruption insurance in force on March 9, 2020, the date on which the Governor declared a Public Health Emergency

and State of Emergency in Executive Order 103. The bill would apply to businesses covered by such a policy with less than 100 eligible employees in the State of New Jersey. "Eligible employee" is defined as a full-time employee who works a normal work week of 25 or more hours

The bill provides that every policy of insurance insuring against loss or damage to property, which includes the loss of use and occupancy and business interruption, in force on the date of the Executive Order, shall be construed to include among the covered perils under that policy coverage for business interruption due to global virus transmission or pandemic, as provided in the Governor's Executive Order. The coverage provided would be subject to the limits under the policy and would indemnify the insured for losses incurred during the State of Emergency.

The bill then provides that an insurer which indemnifies an insured who has filed a claim pursuant to its provisions may apply to the Commissioner of Banking and Insurance for relief and reimbursement from funds collected and made available for this purpose as provided in the bill, pursuant to an additional special purpose assessment under the general scheme already established by law to recover the general expenses of the Department of Banking and Insurance as the regulator of the insurance industry in this State. The commissioner shall establish procedures for the submission and qualification of claims by insurers which are eligible for reimbursement, incorporating such standards as are necessary to protect against the submission of fraudulent claims by insureds, and appropriate safeguards for insurers to employ in the review and payment of such claims.

Finally, the bill authorizes the commissioner to impose upon, distribute among, and collect from insurance companies, other than life and health insurance companies, the additional amounts as may be necessary to recover the amounts paid pursuant to the bill. The additional special purpose apportionment authorized by the bill shall be distributed according to essentially the same procedures and calculations as are provided currently for the existing special purpose apportionment.

Industry sources have indicated that global virus transmission and pandemic are generally excluded from the list of covered perils under the existing standard business interruption insurance policy. The Insurance Services Office, ISO, has developed a rider to provide an insured with the option of purchasing such coverage, but to date, no states have yet approved the form. This bill, then, is intended to hold harmless a certain portion of the business sector, which had the foresight to purchase business interruption insurance, for losses sustained as a result of the current health emergency, but for which no such coverage is currently offered.

A10226 Text:

STATE OF NEW YORK

10226--B

IN ASSEMBLY

March 27, 2020

Introduced by M. of A. CARROLL, FAHY, GRIFFIN, SIMOTAS, EPSTEIN,
LENTOL,
CUSICK,
GLICK,
--
--
the
ordered
again
as
M. of A. ENGLEBRIGHT, McDONOUGH -- read once and referred to
Committee on Insurance -- committee discharged, bill amended,
reprinted as amended and recommitted to said committee --
reported from said committee with amendments, ordered reprinted
amended and recommitted to said committee

AN ACT in relation to requiring certain perils be covered under
business
19) interruption insurance during the coronavirus disease 2019 (COVID-
pandemic

The People of the State of New York, represented in Senate and
Assem-
bly, do enact as follows:

1 Section 1. For the purposes of this act:
2 (a) "business" shall mean a business registered with the department
of
3 tax and finance or not-for-profit corporation registered with the
Attor-
4 ney General's charities bureau.
5 (b) "income" shall mean traditional business income as well as
not-
6 for-profit revenue from donations, sponsorships, and grants.
7 (c) "net written premiums received" shall mean gross direct
premiums

8 written, less return premiums thereon and dividends credited or paid
to
9 policyholders, as reported on the company's annual financial
statement.

10 (d) "premium taxes" shall mean payments required under subdivision
(d)
11 of section 2118 of the insurance law.

12 § 2. (a) Notwithstanding any provisions of law, rule or regulation
to
13 the contrary, every policy of insurance insuring against loss or
damage
14 to property, which includes, but is not limited to, the loss of use
and
15 occupancy and business interruption, shall be construed to include
among
16 the covered perils under that policy, coverage for business
interruption
17 during a period of a declared state emergency due to the
coronavirus
18 disease 2019 (COVID-19) pandemic.

19 (b) Every policy of insurance insuring against loss or damage to
prop-
20 erty, which includes, but is not limited to, the loss of use and occu-
occu-

EXPLANATION--Matter in italics (underscored) is new; matter in
brackets

[~~-~~] is old law to be omitted.

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1 pancy and business interruption, whose policy expires during a period
of
2 a declared state emergency due to the coronavirus disease 2019
(COVID-
3 19) pandemic, shall be subject to an automatic renewal of the policy
at
4 the current rate of charge.

5 (c) Every policy of insurance or endorsement thereto insuring
against
6 an insured's business income loss resulting from loss, damage,
or
7 destruction of property owned by others, including direct suppliers
of
8 goods or services to the insured and/or direct receivers of goods
or
9 services manufactured or provided by the insured, shall be construed
to
10 include among the covered perils under that policy, coverage for
contin-
11 gent business interruption during a period of a declared state
emergency
12 due the coronavirus disease 2019 (COVID-19) pandemic.

13 (d) Every policy of insurance or endorsement thereto insuring
against

14 an insured's business income loss resulting from loss, damage,
or
15 destruction of property owned by others, including direct suppliers
of
16 goods or services to the insured and/or direct receivers of goods
or
17 services manufactured or provided by the insured, whose policy
expires
18 during a period of a declared state emergency due to the
coronavirus
19 disease 2019 (COVID-19) pandemic, shall be subject to an
automatic
20 renewal of the policy at the current rate of charge.

21 (e) Any clause or provision of a policy of insurance insuring
against
22 loss or damage to property, which includes, but is not limited to,
the
23 loss of use and occupancy and business interruption and contingent
busi-
24 ness interruption, which allows the insurer to deny coverage based
on a
25 virus, bacterium, or other microorganism that causes disease,
illness,
26 or physical distress or that is capable of causing disease, illness,
or
27 physical distress shall be null and void; provided, however, the
remain-
28 ing clauses and provisions of the contract shall remain in effect
for
29 the duration of the contract term.

30 (f) The coverage required by this section shall indemnify the
insured,
31 subject to the limits under the policy, for any loss of business
or
32 business interruption and contingent business interruption for the
dura-
33 tion of a period of a declared state emergency due to the
coronavirus
34 disease 2019 (COVID-19) pandemic.

35 (g) This section shall apply to policies issued to insureds with
less
36 than 250 eligible employees in force on the effective date of this
act.
37 "Eligible employee" means a full-time employee who works a normal
work
38 week of 25 or more hours.

39 § 3. (a) An insurer, including excess lines insurers, which
indem-
40 nifies an insured who has filed a claim pursuant to section two of
this
41 act may apply to the superintendent of financial services for relief
and
42 reimbursement by the department from funds collected and made
available
43 for this purpose as provided in section four of this act.

44 (b) The superintendent of financial services shall establish
proce-

45 dures for the submission and qualification of claims by insurers
which
46 are eligible for reimbursement pursuant to this act. The
superintendent
47 of financial services shall incorporate in these procedures such
stand-
48 ards as are necessary to protect against the submission of
fraudulent
49 claims by insureds, and appropriate safeguards for insurers to employ
in
50 the review and payment of such claims.

51 § 4. (a) The superintendent of financial services is authorized
to
52 impose upon, distribute among, and collect from the companies,
including
53 excess lines insurers, engaged in business pursuant to the
insurance
54 law, such additional amounts as may be necessary to recover the
amounts
55 paid to insurers pursuant to section three of this act.

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3

1 (b) The additional special purpose apportionment authorized
pursuant
2 to subdivision (a) of this section shall be distributed in the
propor-
3 tion that the net written premiums, or premium taxes in the case
of
4 excess lines insurers, received by each company subject to the
appor-
5 tionment authorized by this section for insurance written or renewed
on
6 risks in this state during the calendar year immediately
preceding,
7 bears to the sum total of all such net written premiums, or
premium
8 taxes in the case of excess lines insurers, received by all
companies
9 writing that insurance or coverage within the state during that
calendar
10 year, as reported.

11 § 5. This act shall take effect immediately, and shall be deemed
to
12 have been in full force and effect on and after March 7, 2020 and
shall
13 apply to insurance policies in force on that date.

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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2372 Session of
2020

INTRODUCED BY DERMODY, BARRAR, STURLA, McCARTER, MURT, FREEMAN,
SAPPEY, McNEILL, YOUNGBLOOD, WILLIAMS, HANBIDGE, SCHLOSSBERG,
KENYATTA, BURGOS, CEPHAS, ULLMAN, DONATUCCI, DEASY, CIRESI,
BOYLE, KRUEGER, HOWARD, SANCHEZ, DELLOSO, MALAGARI, ROZZI,
HOHENSTEIN, O'MARA, ISAACSON, HARRIS, DeLUCA, OTTEN,
McCLINTON, SHUSTERMAN, BRADFORD, A. DAVIS AND SCHWEYER,
APRIL 3, 2020

REFERRED TO COMMITTEE ON INSURANCE, APRIL 3, 2020

AN ACT

1 Providing for insurance coverage for business interruption.

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

4 Section 1. Short title.

5 This act shall be known and may be cited as the Business
6 Interruption Insurance Act.

7 Section 2. Definitions.

8 The following words and phrases when used in this act shall
9 have the meanings given to them in this section unless the
10 context clearly indicates otherwise:

11 "Commissioner." The Insurance Commissioner of the
12 Commonwealth.

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

15 "Insurance policy." A policy, subscriber contract,

1 certificate or plan that:

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

6 "Insurer." As follows:

7 (1) An entity licensed or authorized to conduct the
8 business of insurance that is governed under the act of May
9 17, 1921 (P.L.682, No.284), known as The Insurance Company
10 Law of 1921.

11 (2) The term excludes a risk retention group under
12 Article XV of The Insurance Company Law of 1921.

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

17 Section 3. Business interruption.

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

27 (b) Indemnification.--The coverage required by this section
28 shall indemnify the insured of an insurance policy, subject to
29 the broadest or greatest limit and lowest deductible afforded to
30 business interruption coverage under the insurance policy, for

1 any loss of business or business interruption for the duration
2 of the declaration of disaster emergency described in subsection
3 (a).

4 (c) Applicability.--This section shall apply to an insurance
5 policy that is:

6 (1) issued to an insured of an insurance policy if the
7 insured has fewer than 100 eligible employees in this
8 Commonwealth; and

9 (2) in force on March 6, 2020.

10 Section 4. Relief and reimbursement.

11 (a) Application.--An insurer that indemnifies an insured of
12 an insurance policy that has filed a claim under section 3 may
13 apply to the commissioner for relief and reimbursement by the
14 commissioner from money collected and made available for this
15 purpose, as provided in section 5 or otherwise in accordance
16 with Federal or State law.

17 (b) Procedures.--The commissioner shall establish procedures
18 for the submission and qualification of claims by insurers that
19 are eligible for reimbursement under this section. The
20 commissioner shall incorporate into the procedures:

21 (1) standards that are necessary to protect against the
22 submission of fraudulent claims by insureds; and

23 (2) appropriate safeguards for insurers to use in the
24 review and payment of claims.

25 Section 5. Special purpose apportionments.

26 (a) Authorization.--The commissioner may impose upon,
27 distribute among and collect from insurers engaged in providing
28 property and casualty insurance in this Commonwealth, whether or
29 not the property and casualty insurance specifically includes
30 coverage for business interruptions, additional amounts

1 necessary to recover the amounts paid to insurers under section
2 4.

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

13 Section 6. Effective date.

14 This act shall take effect immediately.

South Carolina General Assembly
123rd Session, 2019-2020

S. 1188

STATUS INFORMATION

General Bill

Sponsors: Senators Kimpson, Senn and Hutto

Document Path: I:\s-res\mek\020busi.sp.mek.docx

Introduced in the Senate on April 8, 2020

Currently residing in the Senate Committee on **Banking and Insurance**

Summary: Property insurance

HISTORY OF LEGISLATIVE ACTIONS

<u>Date</u>	<u>Body</u>	<u>Action Description with journal page number</u>
4/8/2020	Senate	Introduced and read first time (Senate Journal-page 3)
4/8/2020	Senate	Referred to Committee on Banking and Insurance (Senate Journal-page 3)

View the latest [legislative information](#) at the website

VERSIONS OF THIS BILL

[4/8/2020](#)

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10

A BILL

11 TO AMEND ARTICLE 1, CHAPTER 75, TITLE 38 OF THE 1976
12 CODE, RELATING TO PROPERTY INSURANCE
13 GENERALLY, BY ADDING SECTION 38-75-70, TO PROVIDE
14 THAT EVERY POLICY OF INSURANCE IN FORCE IN THIS
15 STATE INSURING AGAINST LOSS OR DAMAGE TO
16 PROPERTY, NOTWITHSTANDING THE TERMS OF THE
17 POLICY AND INCLUDING ANY ENDORSEMENT THERETO
18 OR EXCLUSIONS TO COVERAGE INCLUDED THEREWITH,
19 THAT INCLUDES A LOSS OF USE AND OCCUPANCY, OR
20 BUSINESS INTERRUPTION, SHALL BE CONSTRUED TO
21 INCLUDE, AMONG THE COVERED PERILS UNDER THE
22 POLICY, COVERAGE FOR BUSINESS INTERRUPTION
23 DIRECTLY OR INDIRECTLY RESULTING FROM THE
24 GLOBAL PANDEMIC KNOWN AS COVID-19, INCLUDING
25 ALL MUTATED FORMS OF THE COVID-19 VIRUS.

26
27 Be it enacted by the General Assembly of the State of South
28 Carolina:

29
30 SECTION 1. Article 1, Chapter 75, Title 38 of the 1976 Code is
31 amended by adding:

32
33 “Section 38-75-70. (A) Notwithstanding any provision of law to
34 the contrary, every policy of insurance in force in this State insuring
35 against loss or damage to property, notwithstanding the terms of the
36 policy and including any endorsement thereto or exclusions to
37 coverage included therewith, that includes a loss of use and
38 occupancy, or business interruption, shall be construed to include,
39 among the covered perils under the policy, coverage for loss of use
40 and occupancy, or business interruption, directly or indirectly
41 resulting from the global pandemic known as COVID-19, including
42 all mutated forms of the COVID-19 virus. Moreover, no insurer in

1 this State may deny a claim for a loss of use and occupancy, or
2 business interruption, with respect to COVID-19, including, but not
3 limited to, attempted insurer denials on account of:

4 (1) COVID-19 being a virus, even if the relevant insurance
5 policy excludes losses resulting from viruses;

6 (2) there being no physical damage to the property of the
7 insured or to any other relevant property; or

8 (3) orders issued by any civil authority, or acts or decisions of
9 a governmental entity.

10 (B) The coverage required by this section is subject to any
11 monetary limits of the policy and any maximum length of time set
12 forth in the policy.

13 (C) An insurer that is required to provide coverage to an insured
14 that has filed a claim pursuant to this section may apply to the
15 department for relief and reimbursement from funds collected and
16 made available for such purpose as provided in this section.

17 (D) The department shall establish procedures for the
18 submission and qualification of claims by insurers that are eligible
19 for reimbursement pursuant to this section. In addition, the
20 department shall establish procedures and standards to protect
21 against fraudulent claims for reimbursement and appropriate
22 safeguards for insurers to use in the review and payment of such
23 claims by their insureds.

24 (E) The department is authorized to make one or more
25 assessments in each fiscal year against licensed insurers in the State
26 as may be necessary to recover the amounts paid or estimated to be
27 paid pursuant to this section. Any assessment shall be made at a rate
28 and shall be determined and certified by the department as sufficient
29 to recover the amounts paid to insurers pursuant to this section. The
30 amount to be assessed shall be made against all licensed domestic
31 companies and foreign companies in proportion to their net
32 premiums written and annuity considerations in the State as shown
33 in the annual report of each of said insurers filed with the
34 department. The assessment shall reimburse the State for funds
35 appropriated for such reimbursement. Assessments under this
36 section shall be charged to the normal operating cost of each
37 company.”

38
39 SECTION 2. This act takes effect upon approval by the Governor
40 and shall only apply to policies that are issued to insureds with one
41 hundred fifty or fewer full-time equivalent employees in the State,
42 and that are in force on the effective date of this act or become

1 effective prior to the date on which the Governor's state of
2 emergency declaration expires.
3 -----XX-----
4

.....
(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R. _____

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

Mr. THOMPSON of California introduced the following bill; which was referred to the Committee on _____

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”.

1 **SEC. 2. BUSINESS INTERRUPTION COVERAGE REQUIRE-**
2 **MENTS.**

3 Effective upon the date of the enactment of this Act,
4 each insurer that offers or makes available business inter-
5 ruption insurance coverage—

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

9 (A) any viral pandemic;

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

15 (C) any power shut-off conducted for pub-
16 lic safety purposes; and

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

23 **SEC. 3. PREEMPTION AND NULLIFICATION OF PRE-EXIST-**
24 **ING EXCLUSIONS.**

25 (a) **GENERAL NULLIFICATION.**—Any exclusion in a
26 contract for business interruption insurance that is in

1 force on the date of the enactment of this Act shall be
2 void to the extent that it excludes losses specified in sec-
3 tion 2(1).

4 (b) GENERAL PREEMPTION.—Any State approval of
5 any exclusion of losses from a contract for business inter-
6 ruption insurance that is in force on the date of the enact-
7 ment of this Act shall be void to the extent that it excludes
8 losses specified in section 2(1).

9 (c) REINSTATEMENT OF EXCLUSIONS.—Notwith-
10 standing subsections (a) and (b) or any provision of State
11 law, an insurer may reinstate a preexisting provision in
12 a contract for business interruption insurance that is in
13 force on the date of the enactment of this Act and that
14 excludes coverage for losses specified in section 2(1)
15 only—

16 (1) if the insurer has received a written state-
17 ment from the insured that affirmatively authorizes
18 such reinstatement; or

19 (2) if—

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

23 (B) the insurer provided notice, at least 30
24 days before any such reinstatement, of—

1 (i) the increased premium for such
2 business interruption coverage; and

3 (ii) the rights of the insured with re-
4 spect to such coverage, including any date
5 upon which the exclusion would be rein-
6 stated if no payment is received.

7 **SEC. 4. DEFINITIONS.**

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

10 (1) BUSINESS INTERRUPTION INSURANCE COV-
11 ERAGE.—The term “business interruption insur-
12 ance coverage” means property and casualty insur-
13 ance coverage provided or made available for losses
14 resulting from periods of suspended business oper-
15 ations, whether provided under broader coverage or
16 separately.

17 (2) INSURER.—The term “insurer” has the
18 meaning given such term in section 102 of the Ter-
19 rorism Risk Insurance Act of 2002 (15 U.S.C. 6701
20 note).