AMENDMENTS TO HOUSE BILL NO. 2386

Sponsor: REPRESENTATIVE PEIFER

Printer's No. 3602

Amend Bill, page 1, lines 1 and 2, by striking out all of said lines and inserting

Providing for business interruption insurance assistance and for powers and duties of the Department of Community and Economic Development.

Amend Bill, page 1, lines 5 through 16; page 2, lines 1 through 30; page 3, lines 1 through 23; by striking out all of said lines on said pages and inserting

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

Section 2. Purpose. The purpose of this act is to establish a program within the Department of Community and Economic Development to encourage businesses to acquire business interruption insurance coverage from an insurance provider for assistance with expenses in the event a business is impacted by a peril and to provide business interruption insurance financial assistance, subject to the availability of funding, to eligible businesses for business interruption insurance premium costs.

Section 3. 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:

"Business." An individual, corporation, limited liability company, limited liability partnership, partnership, association, joint stock company, trust, unincorporated organization, sole proprietor, similar entity or combination of the foregoing acting in concert.

"Business interruption insurance." An insurance policy issued by stock fire, stock marine, stock fire and marine or stock casualty insurance company as incorporated under section 202(c), (d), (e), (f) or (g) of the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, to assist with damages incurred by a business.

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"Department." The Department of Community and Economic Development of the Commonwealth.

Section 4. Business Interruption Insurance Assistance Program.

(a) Establishment.--The department, in consultation with the Insurance Department, shall establish a program to educate businesses on the benefits of business interruption insurance coverage. The Business Interruption Insurance Assistance Program shall promote the purchase of business interruption insurance and may provide financial assistance to eligible businesses to partially offset business interruption insurance premiums. The provision of financial assistance shall be subject to the availability of funding.

(b) Powers and duties of department.--The department shall have the following powers and duties:

(1) The department shall administer the Business Interruption Insurance Assistance Program established under subsection (a) and shall exercise all administrative powers necessary to effectuate the purposes of this section, including, but not limited to, drafting and entering into agreements necessary to implement this section, establishing eligibility criteria for business interruption insurance financial assistance and developing an application and application procedure for business interruption insurance financial assistance, including time frames for the submission, review and approval of applications.

(2) The department may draft and enter into agreements with Federal agencies, other State agencies and private entities as necessary to implement this section.

(3) The department, in consultation with the Insurance Department, shall issue guidelines to implement this section.

(c) Business interruption insurance financial assistance.--The department may provide business interruption insurance financial assistance to eligible businesses in an amount up to 10% of the cost of the insurance premiums in years in which funds are appropriated or made available to the department. If sufficient funds are not available to provide for up to 10% of the cost of the insurance premiums, the department shall prorate the available funds among all the businesses who applied for and received business interruption insurance for the fiscal year.

(d) Funding.--The department is authorized to use funds specifically appropriated by the General Assembly for the purposes of this section and any funds, contributions or payments which may be made available to the department by the Federal Government, another State agency or any public or private source for the purpose of implementing this section.

(e) Report.--The department shall annually submit a report that provides details of the department's expenditures, including administrative expenditures, under this section to the chairperson and minority chairperson of the Community, Economic and Recreational Development Committee of the Senate, the chairperson and minority chairperson of the Banking and
Insurance Committee of the Senate, the chairperson and minority chairperson of the Commerce Committee of the House of Representatives and the chairperson and minority chairperson of the Insurance Committee of the House of Representatives.

Section 5. Effective date.

This act shall take effect immediately.