

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

**HOUSE BILL****No. 2759** Session of  
2020

---

INTRODUCED BY DERMODY, ROZZI, SANCHEZ, ZABEL, KENYATTA, McNEILL,  
KINSEY, GALLOWAY, WILLIAMS, T. DAVIS, YOUNGBLOOD, MADDEN,  
SCHLOSSBERG, McCARTER, MALAGARI, DRISCOLL, ULLMAN,  
SHUSTERMAN, HANBIDGE, DELLOSO, HOWARD, DeLUCA, NEILSON,  
KORTZ, McCLINTON, HILL-EVANS, READSHAW, CIRESI, SCHWEYER,  
OTTEN, DEASY, FRANKEL, KOSIEROWSKI, WEBSTER, KIM, PASHINSKI,  
BRIGGS, SNYDER, SIMS, KRUEGER, DONATUCCI, HOHENSTEIN,  
ISAACSON, GOODMAN, SAINATO, COMITTA, MULLINS, SAPPEY,  
FITZGERALD, FIEDLER AND INNAMORATO, AUGUST 7, 2020

---

REFERRED TO COMMITTEE ON INSURANCE, AUGUST 7, 2020

---

## AN ACT

1 Regulating business interruption insurance during a state of  
2 disaster emergency.

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

5 Section 1. Short title.

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

8 Section 2. Definitions.

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

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

14 "Eligible employee." A full-time employee who works a normal ◀

1 work week of at least 25 hours.

2 "Insurance Company Law of 1921." The act of May 17, 1921  
3 (P.L.682, No.284), known as The Insurance Company Law of 1921.

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

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

10 "Insurer." As follows:

11 (1) An entity licensed or authorized to conduct the  
12 business of insurance that is governed under the Insurance  
13 Company Law of 1921.

14 (2) The term excludes a risk retention group under  
15 Article XV of the Insurance Company Law of 1921.

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

20 Section 3. Business interruption during state of disaster  
21 emergency. ◀

22 (a) Business interruption.--Notwithstanding any other law or  
23 court rulings, rule or regulation, an insurance policy that  
24 insures against loss or damage to property, which includes the  
25 loss of use and occupancy and business interruption, in force in  
26 this Commonwealth on the date of a proclamation of disaster  
27 emergency shall be construed to include among the covered perils  
28 under the insurance policy coverage for business interruption  
29 all losses as a result of the proclamation, including due to a  
30 global virus transmission or pandemic. The coverage shall be

1 afforded not subject to any exclusions, including ones for virus  
2 or pandemic, as long as the loss is the result of the natural  
3 disaster causing the proclamation to be issued.

4 (b) Indemnification.--The coverage required by this section  
5 shall indemnify the insured of an insurance policy, subject to  
6 the broadest or greatest limit and lowest deductible afforded to  
7 business interruption coverage under the insurance policy, for  
8 any loss of business or business interruption for the duration  
9 of the declaration of disaster emergency described in subsection  
10 (a).

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

13 (1) issued to an insured of an insurance policy if the  
14 insured has fewer than 100 eligible employees in this  
15 Commonwealth; and

16 (2) in force on the date of the proclamation of disaster  
17 emergency.

18 Section 4. Relief and reimbursement.

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

25 (b) Procedures.--The commissioner shall establish procedures  
26 for the submission and qualification of claims by insurers that  
27 are eligible for reimbursement under this section. The  
28 commissioner shall incorporate into the procedures:

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

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

3 Section 5. Special purpose apportionments.

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

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

20 Section 6. Effective date.

21       This act shall take effect immediately.