
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1223 Session of
2021

INTRODUCED BY SNYDER, KENYATTA, SANCHEZ, A. DAVIS, McNEILL,
HILL-EVANS, KINKEAD, SHUSTERMAN, MARKOSEK, GALLOWAY,
SCHLOSSBERG, DAVIDSON, WEBSTER, SIMS, MADDEN, O'MARA, LEE,
DELLOSO, DEASY, DRISCOLL, HOHENSTEIN, McCLINTON, ROZZI AND
CIRESI, APRIL 20, 2021

REFERRED TO COMMITTEE ON INSURANCE, APRIL 20, 2021

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,
16 certificate or plan that:

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

5 "Insurer." As follows:

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

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

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

16 Section 3. Business interruption.

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

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

1 of the declaration of disaster emergency described in subsection
2 (a).

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

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

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

9 Section 4. Relief and reimbursement.

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

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

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

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

24 Section 5. Special purpose apportionments.

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

1 4.

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

12 Section 6. Effective date.

13 This act shall take effect immediately.