

[DISCUSSION DRAFT]

116TH CONGRESS
2^D SESSION

H. R. _____

To require the Federal Insurance Office to conduct a study of business interruption insurance coverage in the United States, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To require the Federal Insurance Office to conduct a study of business interruption insurance coverage in the United States, 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 “_____ Act
5 of 2020”.

1 **SEC. 2. FEDERAL INSURANCE OFFICE STUDY OF BUSINESS**
2 **INTERRUPTION INSURANCE COVERAGE.**

3 (a) IN GENERAL.—The Director of the Federal In-
4 surance Office of the Department of the Treasury (in this
5 section referred to as the “Director”) shall conduct a
6 study to determine the extent to which insurance coverage
7 for losses associated with communicable diseases, includ-
8 ing coverage for business interruption exposure, is avail-
9 able and affordable in the United States. Under such
10 study, the Director shall include determine and analyze—

11 (1) the extent to which business interruption
12 coverage that covers communicable diseases is cur-
13 rently available;

14 (2) the extent to which such coverage is sold
15 separately or included as part of a broader policy;

16 (3) how affordable such coverage is;

17 (4) the extent to which businesses have received
18 claims payments under such coverage resulting from
19 the Coronavirus Disease 2019 (COVID-19);

20 (5) the aggregate amount of claims payments
21 under such coverage for claims resulting from
22 Coronavirus Disease; and

23 (6) the aggregate amount of losses [of the type
24 typically covered by such coverage?] associated with
25 Coronavirus Disease that were not covered by such
26 coverage.

1 (b) ANALYSIS OF FEDERAL ROLE.—To the extent
2 that the Director determines, pursuant to subsection (a),
3 that insurance coverage for losses associated with commu-
4 nicable diseases, including coverage for business interrup-
5 tion exposure, is not widely available and affordable in the
6 United States, the Director shall analyze, and establish
7 recommendations regarding, a potential role of the Fed-
8 eral Government in promoting the availability and afford-
9 ability of such coverage, including—

10 (1) whether or not it would promote such avail-
11 ability or affordability for the Federal Government
12 to share data with insurance companies to help them
13 better model risks associated with communicable dis-
14 eases; and

15 (2) the expected costs and benefits of estab-
16 lishing a reinsurance mechanism to promote the
17 availability and affordability of business interruption
18 coverage that covers communicable diseases that is
19 modeled and based on the Terrorism Risk Insurance
20 Program under the title I of the Terrorism Risk In-
21 surance Act of 2010 (15 U.S.C. 6701 note), includ-
22 ing analysis of, and recommendations regarding, any
23 key changes to such model that could improve the
24 effectiveness of such a program or ensure that it is
25 appropriately structured to meet the needs associ-

1 ated with pandemic risks, including a change to pro-
2 vide for charging up-front premiums for such rein-
3 surance coverage based on actuarial pricing.

4 (c) COLLECTION OF INFORMATION.—In conducting
5 the study required under subsections (a) and (b), the Di-
6 rector shall—

7 (1) exercise the authority of the Office under
8 section 313(e) of title 31, United States Code, to
9 collect information;

10 (2) coordinate with State and Federal agencies
11 as may be necessary to collect information sufficient
12 to determine the full extent of insurable risk associ-
13 ated with pandemics;

14 (3) consult with all stakeholders, including pol-
15 icyholders, small and large businesses, insurers, rein-
16 surers, brokers, consumer advocates, State regu-
17 lators, epidemiologists, and others; and

18 (4) in all activities in collecting information for
19 the study, be subject to the requirements of para-
20 graph (4) of section 313(e) of such title (relating to
21 advance coordination).

22 (d) REPORT.—The Director shall submit a report to
23 the Congress on the study conducted pursuant to this sec-
24 tion, which shall contain the determinations, analyses, and
25 recommendations required under this section, not later

1 than the expiration of the 6-month period that begins
2 upon the date of the termination by the Federal Emer-
3 gency Management Agency of the emergency declared on
4 March 13, 2020, by the President under section 501(b)
5 of the Robert T. Stafford Disaster Relief and Emergency
6 Assistance Act with respect to the COVID–19 pandemic.