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

Mr. ____________ 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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “_________ Act of 2020”.

March 26, 2020 (11:47 a.m.)
SEC. 2. FEDERAL INSURANCE OFFICE STUDY OF BUSINESS INTERRUPTION INSURANCE COVERAGE.

(a) In General.—The Director of the Federal Insurance Office of the Department of the Treasury (in this section referred to as the “Director”) shall conduct a study to determine the extent to which insurance coverage for losses associated with communicable diseases, including coverage for business interruption exposure, is available and affordable in the United States. Under such study, the Director shall include determine and analyze—

(1) the extent to which business interruption coverage that covers communicable diseases is currently available;

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

(3) how affordable such coverage is;

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

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

(6) the aggregate amount of losses [of the type typically covered by such coverage?] associated with Coronavirus Disease that were not covered by such coverage.
(b) Analysis of Federal Role.—To the extent that the Director determines, pursuant to subsection (a), that insurance coverage for losses associated with communicable diseases, including coverage for business interruption exposure, is not widely available and affordable in the United States, the Director shall analyze, and establish recommendations regarding, a potential role of the Federal Government in promoting the availability and affordability of such coverage, including—

(1) whether or not it would promote such availability or affordability for the Federal Government to share data with insurance companies to help them better model risks associated with communicable diseases; and

(2) the expected costs and benefits of establishing a reinsurance mechanism to promote the availability and affordability of business interruption coverage that covers communicable diseases that is modeled and based on the Terrorism Risk Insurance Program under the title I of the Terrorism Risk Insurance Act of 2010 (15 U.S.C. 6701 note), including analysis of, and recommendations regarding, any key changes to such model that could improve the effectiveness of such a program or ensure that it is appropriately structured to meet the needs associ-
ated with pandemic risks, including a change to provide for charging up-front premiums for such reinsurance coverage based on actuarial pricing.

(c) COLLECTION OF INFORMATION.—In conducting the study required under subsections (a) and (b), the Director shall—

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

(2) coordinate with State and Federal agencies as may be necessary to collect information sufficient to determine the full extent of insurable risk associated with pandemics;

(3) consult with all stakeholders, including policyholders, small and large businesses, insurers, reinsurers, brokers, consumer advocates, State regulators, epidemiologists, and others; and

(4) in all activities in collecting information for the study, be subject to the requirements of paragraph (4) of section 313(e) of such title (relating to advance coordination).

(d) REPORT.—The Director shall submit a report to the Congress on the study conducted pursuant to this section, which shall contain the determinations, analyses, and recommendations required under this section, not later
than the expiration of the 6-month period that begins upon the date of the termination by the Federal Emergency Management Agency of the emergency declared on March 13, 2020, by the President under section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act with respect to the COVID–19 pandemic.