

Pandemic Risk Insurance Act | 4.30.20

- Developed by Maxine Waters (D-CA)
- Bill is in discussion draft form – **hasn't been officially introduced yet**
 - “The PRIA Discussion Draft would apply to any insurance company licensed in any U.S. state, territory or possession, as well as any insurance company eligible to write insurance in the U.S. on a surplus lines basis, including non-U.S. insurance companies listed on the Quarterly Listing of Alien Insurers of the NAIC.” (PropertyCasualty360)
- Would be introduced in the **House Financial Services Committee**
 - Waters is Chairwoman of the committee
- Legislation would establish a **Federal Pandemic Risk Insurance Program**
 - “Subject to certain conditions, deductibles and caps, the program would cover insured losses arising from public health emergencies.” (McDermott, Will, & Emery)
- Modeled after TRIA (Terrorism Risk Insurance Act)
 - TRIA was introduced after 9/11 to provide reinsurance coverage for terrorist acts
 - Participation in Pandemic Risk Insurance Program would be *voluntary*; Terrorism Risk Insurance Program is *mandatory*
- RIMS sent a letter to congressional leadership on 4/20/20 to **encourage introduction of the bill**
- The bill would **require retroactive coverage** of covid-19 claims
 - “While certain components of PRIA have been met with general optimism, efforts to **enforce retroactive coverage** by insurance companies of COVID-19 claims (particularly when in-force insurance policies contain communicable disease exclusions) has been met with a significantly different tone from the insurance community.” (PropertyCasualty360)
 - “PRIA also may require that participating insurers **void exclusions in current, in-force policies for pandemic-related losses**. However, the PRIA Discussion Draft currently leaves open as a discussion point whether this mandate would go into effect as of the date of PRIA or at some later date, and PRIA’s participation under the PRIA Discussion Draft would be voluntary.” (PropertyCasualty360)
- The **Business Interruption Insurance Coverage Act of 2020** has also been circulating around Congress
 - This bill is in its **draft stage** also
 - “would force all insurers that **offer business interruption insurance to offer coverage for a viral pandemic** and “[a]ny exclusion in a contract for business interruption insurance that is in force on the date of the enactment of [the] Act shall be void to the extent it excludes” viral pandemics” (PropertyCasualty360)
- LA, MA, NY, NJ, OH, PA, and SC have introduced legislation that “would require insurance companies operating in their states, either temporarily or permanently, to pay out on coronavirus-related loss claims brought by their small business insureds “ (Holland & Knight)

Sources

[RIMS letter to congressional leadership](#)

[McDermott, Will & Emery](#)

[PropertyCasualty360](#)

[Holland & Knight](#)

[RAA Business Interruption Legislative Activity Tracker](#)