

**A10226 Summary:**

BILL NO A10226  
SAME AS No Same As  
SPONSOR Carroll  
COSPNSR  
MLTSPNSR

Requires certain perils be covered under business interruption insurance during the coronavirus disease 2019 (COVID-19) pandemic.

**A10226 Actions:**

BILL NO A10226  
03/27/2020 referred to insurance

**A10226 Committee Votes:**

**A10226 Floor Votes:**

*There are no votes for this bill in this legislative session.*

**BILL NUMBER:** A10226

**SPONSOR:** Carroll

**TITLE OF BILL:**

An act in relation to requiring certain perils be covered under business interruption insurance during the coronavirus disease 2019 (COVID-19) pandemic

**PURPOSE OR GENERAL IDEA OF BILL:**

This bill is intended to hold harmless businesses who currently hold business interruption insurance, for losses sustained as a result of the current COVID-19 health emergency, but for which no such coverage is currently offered.

**SUMMARY OF PROVISIONS:**

Section 1 provides a mechanism by which certain businesses that suffer losses due to interruption as a result of the COVID-2019 pandemic may recover those losses from their insurer if they had a policy of business interruption insurance in force on March 7, 2020, the date on which the Governor declared a Public Health Emergency and State of Emergency in Executive Order 202. The bill would apply to businesses covered by such a policy with less than 100 eligible employees in the State of New York. "Eligible employee" is defined as a full-time employee who works a normal work week of 25 or more hours.

Section 2 provides that an insurer which indemnifies an insured who has filed a claim pursuant to its provisions may apply to the Superintendent of the Department of Financial Services for relief and reimbursement from funds collected and made available for this purpose as provided in the bill, pursuant to an additional special purpose assessment under the general scheme already established by law to recover the general expenses of the Department of Financial Services as the regulator of the insurance industry in this State. The superintendent shall establish procedures for the submission and qualification of claims by insurers which are eligible for reimbursement, incorporating such standards as are necessary to protect against the submission of fraudulent claims by insureds, and appropriate safeguards for insurers to employ in the review and payment of such claims.

Section 3 authorizes the superintendent to impose upon, distribute among, and collect from insurance companies, other than life and health insurance companies, the additional amounts as may be necessary to recover the amounts paid pursuant to the bill. The additional special purpose apportionment authorized by the bill shall be distributed according to essentially the same procedures and calculations as are provided currently for the existing special purpose apportionment.

Section 4 sets the effective date.

**JUSTIFICATION:**

Industry sources have indicated that global virus transmission and pandemic are generally excluded from the list of covered perils under the existing standard business interruption insurance policy. The Insurance Services Office, ISO, has developed a rider to provide an insured with the option of purchasing such coverage, but to date, no states have yet approved the form. This bill is intended to hold harmless businesses who currently hold business interruption insurance, for losses sustained as a result of the current COVID-19 health emergency, but for which no such coverage is currently offered.

**PRIOR LEGISLATIVE HISTORY:**

None

**FISCAL IMPLICATIONS:**

TBD

**EFFECTIVE DATE:**

This act shall take effect immediately, shall be retroactive to March 7, 2020