

PA State Representative Requests a Resolution Urging Congress to Reimburse Insurers for COVID-19 Business Interruption Claim Payments

By: Anthony L. Miscioscia and Margo E. Meta

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There has been extensive discussion regarding the potential hurdles to recovering insurance proceeds for COVID-19-related business interruption losses. As a work-around, the New Jersey Legislature has proposed a new law that would require insurers of certain businesses to provide business interruption coverage for COVID-19 losses, even if the policies' contain a "Virus" exclusion. This proposed legislation has received significant pushback from insurers who argue that business interruption insurance is not designed to provide coverage for global pandemics such as COVID-19. Pennsylvania State Representative Michael Driscoll (D) wants to take a different approach.

On March 24, 2020, Driscoll requested that the Pennsylvania House of Representatives draft a resolution urging Congress to reimburse insurers for voluntarily paid COVID-19-related business interruption claims as part of the federal COVID-19 relief package. The resolution's suggested language states that providing relief funds to insurers that voluntarily pay claims to businesses with existing business interruption insurance could be an appropriate vehicle to compensate COVID-19 related losses. Such a move would place the financial burden of COVID-19 on the federal government, rather than on the insurers.

Insurers and policyholders should keep a close eye on the Pennsylvania House of Representatives over the coming weeks to see whether this request gains any traction. If the Pennsylvania House successfully submits such a resolution to Congress, it is likely that other states will follow suit. Whether any such resolutions influence Congress, however, remains to be seen.

If you have questions or would like further information, please contact Anthony L. Miscioscia (misciosciaa@whiteandwilliams.com; 215-864-6356) or Margo E. Meta (metam@whiteandwilliams.com; 215.864.6219).

As we continue to monitor the novel coronavirus (COVID-19), White and Williams lawyers are working collaboratively to stay current on developments and counsel clients through the various legal and business issues that may arise across a variety of sectors. Read all of the updates [here](#).

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