

STATE OF NEW YORK

10226

IN ASSEMBLY

March 27, 2020

Introduced by M. of A. CARROLL -- read once and referred to the Committee on Insurance

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

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. (a) Notwithstanding any provisions of law, rule or regulation to the contrary, every policy of insurance insuring against loss
2 or damage to property, which includes the loss of use and occupancy and
3 business interruption, shall be construed to include among the covered
4 perils under that policy, coverage for business interruption during a
5 period of a declared state emergency due to the coronavirus disease 2019
6 (COVID-19) pandemic.

8 (b) The coverage required by this section shall indemnify the insured,
9 subject to the limits under the policy, for any loss of business or
10 business interruption for the duration of a period of a declared state
11 emergency due to the coronavirus disease 2019 (COVID-19) pandemic.

12 (c) This section shall apply to policies issued to insureds with less
13 than 100 eligible employees in force on the effective date of this act.
14 "Eligible employee" means a full-time employee who works a normal work
15 week of 25 or more hours.

16 § 2. (a) An insurer which indemnifies an insured who has filed a claim
17 pursuant to section one of this act may apply to the superintendent of
18 financial services for relief and reimbursement by the department from
19 funds collected and made available for this purpose as provided in
20 section three of this act.

21 (b) The superintendent of financial services shall establish procedures
22 for the submission and qualification of claims by insurers which
23 are eligible for reimbursement pursuant to this act. The superintendent
24 of financial services shall incorporate in these procedures such standards
25 as are necessary to protect against the submission of fraudulent
26 claims by insureds, and appropriate safeguards for insurers to employ in
27 the review and payment of such claims.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

LBD16053-01-0

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1 § 3. (a) The superintendent of financial services is authorized to
2 impose upon, distribute among, and collect from the companies engaged in
3 business pursuant to the insurance law, such additional amounts as may
4 be necessary to recover the amounts paid to insurers pursuant to section
5 two of this act.

6 (b) The additional special purpose apportionment authorized pursuant
7 to subdivision (a) of this section shall be distributed in the propor-
8 tion that the net written premiums received by each company subject to
9 the apportionment authorized by this section for insurance written or
10 renewed on risks in this state during the calendar year immediately
11 preceding, bears to the sum total of all such net written premiums
12 received by all companies writing that insurance or coverage within the
13 state during that calendar year, as reported.

14 (c) For the purposes of this section, "net written premiums received"
15 means gross direct premiums written, less return premiums thereon and
16 dividends credited or paid to policyholders, as reported on the compa-
17 ny's annual financial statement.

18 § 4. This act shall take effect immediately, and shall be deemed to
19 have been in full force and effect on and after March 7, 2020 and shall
20 apply to insurance policies in force on that date.