#### As Introduced

# 133rd General Assembly

# Regular Session 2019-2020

#### H. B. No. 589

## Representatives Crossman, Rogers

# A BILL

T'O	require insurers offering business interruption	
	insurance to cover losses attributable to	2
	viruses and pandemics and to declare an	3
	emergency.	4

## BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. (A) As used in this section:	5
(1) "Eligible employee" means a full-time employee who	6
works a normal work week of twenty-five or more hours.	7
(2) "Net written premiums received" means gross direct	8
premiums written, less return premiums thereon and dividends	9
credited or paid to policyholders, as reported on the company's	10
annual financial statement.	
(3) "State of emergency" means the state of emergency	12
declared under Executive Order 2020-01D, issued on March 9,	13
2020, to protect the well-being of Ohio citizens from the	14
dangerous effects of COVID-19.	
(B) Notwithstanding any other law or rule to the contrary,	16
every policy of insurance insuring against loss or damage to	17
property, which includes the loss of use and occupancy and	18

business interruption, in force in this state on the effective	19
date of this section, shall be construed to include among the	20
covered perils under that policy, coverage for business	21
interruption due to global virus transmission or pandemic during	22
the state of emergency.	23
(C) The coverage required by this section shall indemnify	24
the insured, subject to the limits under the policy, for any	25
loss of business or business interruption for the duration of	26
the state of emergency.	27
(D) This section shall only apply to policies issued to	28
insureds that meet all of the following:	29
(1) The business in question is located in this state.	30
(2) The business employs one hundred or fewer eligible	31
employees.	32
(3) The business was covered by a policy of insurance as	33
described in division (B) of this section that was in force on	34
the effective date of this section.	35
(E) An insurer that indemnifies an insured who has filed a	36
claim pursuant to division (B) of this section may apply to the	37
Superintendent of Insurance for relief and reimbursement from	38
funds collected and made available for this purpose as provided	39
in division (F) of this section.	40
(F)(1) The Superintendent shall establish procedures for	41
the submission and qualification of claims by insurers that are	42
eligible for reimbursement under division (E) of this section.	43
The Superintendent shall incorporate in these procedures such	44
standards as are necessary to protect against the submission of	45
fraudulent claims by insureds, and appropriate safeguards for	46
insurers to employ in the review and payment of claims made by	47

businesses under division (B) of this section.	
(2) The Superintendent may pay such claims in accordance	49
with either of the following:	50
with either of the following.	50
(a) Pay the claims as they are received from such funds as	51
are available to the Superintendent;	52
(b) Pay the claims after the assessment charged under	53
division (G) of this section is collected from the collected	54
amounts.	55
(G)(1) The Superintendent shall charge an assessment to	56
insurers engaged in the business of insurance under Chapter	57
3937. of the Revised Code in an amount as necessary to recover	58
the amounts paid to insurers pursuant to this section.	59
(2) This conservat shall be distributed in managerian to	60
(2) This assessment shall be distributed in proportion to	60
the net written premiums received by each company subject to the	61
assessment on risks in this state during the calendar year	62
immediately preceding the effective date of this section.	63
(3) Funds collected pursuant to the assessment shall be	64
deposited in the Business Interruption Insurance Fund, which is	65
hereby created in the state treasury. The Superintendent shall	66
use the fund to either pay claims to insurers as required under	67
this section or to reimburse other funds as needed, if claims	68
were paid prior to the collection of the assessment.	69
(4) Any amounts remaining in the Business Interruption	70
Insurance Fund after the final claim has been paid or after	71
funds have been reimbursed for claims paid shall be returned to	72
insurers in a manner prescribed in rule by the Superintendent.	73
(5) When the balance of the Business Interruption	74
Insurance Fund is zero, the fund shall be dissolved.	75

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(H) The Superintendent of Insurance may adopt rules to	76
implement this section. These rules shall not be subject to	77
division (F) of section 121.95 of the Revised Code.	78
Section 2. This act is hereby declared to be an emergency	79
measure necessary for the immediate preservation of the public	80
peace, health, and safety. The reason for such necessity is to	81
protect small businesses from catastrophic losses caused by	82
commercial decline necessary to prevent the spread of COVID-19.	83
Therefore, this act shall go into immediate effect.	84