

**As Introduced**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**H. B. No. 589**

**Representatives Crossman, Rogers**

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**A BILL**

To require insurers offering business interruption insurance to cover losses attributable to viruses and pandemics and to declare an emergency. 1  
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**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 works a normal work week of twenty-five or more hours. 6  
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(2) "Net written premiums received" means gross direct premiums written, less return premiums thereon and dividends credited or paid to policyholders, as reported on the company's annual financial statement. 8  
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(3) "State of emergency" means the state of emergency declared under Executive Order 2020-01D, issued on March 9, 2020, to protect the well-being of Ohio citizens from the dangerous effects of COVID-19. 12  
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(B) Notwithstanding any other law or rule to the contrary, every policy of insurance insuring against loss or damage to property, which includes the loss of use and occupancy and 16  
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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. 48

(2) The Superintendent may pay such claims in accordance 49  
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 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

(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