

# Bills

## HLS 20RS-1270

ORIGINAL

### 2020 Regular Session HOUSE BILL NO. 858

NO. 858

BY REPRESENTATIVE DUPLESSIS

#### **INSURANCE: Provides relative to business interruption claims due to the coronavirus disease 2019 pandemic**

AN ACT To enact R.S. 22:1897, relative to **business interruption insurance** claims; to require coverage for business interruption claims due to **coronavirus** disease 2019; to provide for the scope of coverage; to provide for applicability; to provide for retroactive application; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1897 is hereby enacted to read as follows:

§ 1897. Claims involving business interruptions; coverage for claims arising from global virus transmission or **pandemic** A. Notwithstanding any other provisions of law to the contrary, every policy of insurance insuring against loss or damage to property, which includes the loss of use and occupancy and business interruption in force in this state on the effective date of this Act, shall be construed to include among the covered perils under such a policy, coverage for business interruption due to global virus transmission or **pandemic**, as provided in the Emergency Proclamation Number 25 JBE 2020 and the related supplemental proclamations concerning the **coronavirus** disease 2019 **pandemic**.

B. Insurers shall indemnify insured policyholders who have policies that provide the coverage required pursuant to this Section, subject to the limits of the insured's policy, for any loss of business or business interruption for the duration of the declared public health emergency.

C. This Section shall apply to policies issued to insureds with less than one hundred full-time employees, in this state, and in force on the effective date of this Act.

Section 2. The provisions of this Act shall be given prospective and retroactive application and shall be applied retroactively to March 11, 2020 to insurance policies described in Section 1 of this Act and in force on that date.

Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)] HB 858 Original 2020 Regular Session Duplessis **Abstract:** Provides for recovery of losses from insurers providing business interruption coverage for businesses that suffered losses due to interruption as a result of the **coronavirus** disease 2019 **pandemic**.

Proposed law requires insurers that write policies which provide coverage for loss or damage to property that also provide for coverage of loss of use and occupancy and business interruption that are in force on the effective date of this Act, to construe such policies to include coverage of business interruptions due to the **coronavirus** disease 2019 **pandemic**.

Proposed law requires insurers to indemnify policyholders who have policies that provide coverage under proposed law, subject to the extent of the policyholder's policy, for any loss business interruption loss incurred during the public health emergency.

Proposed law applies to policies issued to insurers who have less than 100 full-time employees.

Proposed law provides that the provisions of proposed law will be given both prospective and retroactive application, and will apply retroactively to March 11, 2020.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 22:1897)

