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H.P. 506

House of Representatives, March 4, 2021

An Act Concerning Business Interruption Insurance

(EMERGENCY)

Received by the Clerk of the House on March 2, 2021. Referred to the Committee on Health Coverage, Insurance and Financial Services pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R. B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative GRAMLICH of Old Orchard Beach.
Cosponsored by Senator BAILEY of York and
Representatives: MATHIESON of Kittery, TEPLER of Topsham.

1 **Emergency preamble.** Whereas, acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** the spread of the novel coronavirus disease referred to as COVID-19 has
4 created a public health emergency; and

5 **Whereas,** in response to COVID-19, the World Health Organization has declared a
6 pandemic, the President of the United States has declared a national emergency and the
7 Governor of Maine has declared a state of civil emergency; and

8 **Whereas,** in response to COVID-19, the Governor of Maine has also issued executive
9 orders limiting the operations of Maine businesses; and

10 **Whereas,** it is important for Maine businesses to have access to insurance coverage
11 for losses related to the COVID-19 pandemic; and

12 **Whereas,** the purpose of this legislation is to ensure that insurers provide coverage
13 for business losses related to COVID-19; and

14 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
15 the meaning of the Constitution of Maine and require the following legislation as
16 immediately necessary for the preservation of the public peace, health and safety; now,
17 therefore,

18 **Be it enacted by the People of the State of Maine as follows:**

19 **Sec. 1. 24-A MRSA §2454** is enacted to read:

20 **§2454. Coverage for losses or business interruption related to COVID-19**

21 **1. Definition.** As used in this section, "COVID-19" means the coronavirus disease
22 designated coronavirus disease 2019.

23 **2. Coverage for losses or business interruption.** Notwithstanding any law, rule or
24 policy provision to the contrary, an insurer authorized to do business in this State that
25 provides a policy insuring against loss or damage to property, including any loss of
26 occupancy or interruption to the operations of a business, may not:

27 **A.** Contain a provision in the policy excluding coverage for any loss of occupancy or
28 interruption to the operations of a business directly or indirectly resulting from any
29 pandemic declared by the World Health Organization, or its successor organization, or
30 declared by the United States Government;

31 **B.** Exclude coverage for any loss of occupancy or interruption to the operations of a
32 business directly or indirectly resulting from the COVID-19 pandemic; or

33 **C.** Deny any claim for coverage for any loss of occupancy or interruption to the
34 operations of a business directly or indirectly resulting from the COVID-19 pandemic
35 on the basis that:

36 **(1)** COVID-19 is a viral disease subject to a policy exclusion for losses resulting
37 from a virus; or

38 **(2)** The insured has not suffered any physical damage or loss of property.

39 **Sec. 2. Retroactivity.** The requirements in this Act apply retroactively to March 15,
40 2020.

