

*Congress of the United States
Washington, DC 20515*

April 30, 2020

The Honorable Donald J. Trump
President
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20050

Dear Mr. President:

The United States remains in battle with an unprecedented enemy in the form of the COVID-19 virus. While our constituents have been dealing with the personal hardships and losses resulting from this deadly disease, there has been a small glimmer of hope that we have been able to see from this tragedy. That hope is when we see people, communities, and organizations of every background coming together in these hard times to help their neighbors, friends and even strangers get through this struggle. It is this unity that we must harness in order to fully confront the medical, social, and economic peril we are in.

Over the last several weeks, members of both parties have been able to come together, hash out our differences, and enact legislation that truly helps all Americans confront this battle. With increased funding for medical research and the creation of economic relief programs such as the Small Business Administration's (SBA) Paycheck Protection Program (PPP), we are working to address needs relating to the public health crisis and to provide relief to America's businesses and their workers. Unfortunately, however, we have seen in recent weeks legislative and regulatory proposals which, while well-intentioned, we fear could begin to undo the sense of unity and slow the momentum of our ongoing efforts.

One flawed proposal would force insurance companies to pay claims for Business Interruption (BI) policies that insurers never underwrote or collected premiums for in the first place. To be clear, insurance companies must fulfill their obligations to policyholders with coverage for pandemic-related losses; and we support efforts by state insurance regulators to ensure these policies are honored.

However, it is worth noting that the State insurance commissioners have also expressed themselves on this issue, sharing concerns that requiring retroactive payments might jeopardize the solvency of insurers and adversely affect other property and casualty policyholders. Specifically, the National Association of Insurance Commissioners (NAIC) states that:

“Insurance works well and remains affordable when a relatively small number of claims are spread across a broader group, and therefore it is not typically well suited for a global pandemic where virtually every policyholder suffers significant losses at the same time for an extended period. While the U.S. insurance sector remains strong, if insurance companies are required to

cover such claims, such an action would create substantial solvency risks for the sector, significantly undermine the ability of insurers to pay other types of claims, and potentially exacerbate the negative financial and economic impacts the country is currently experiencing.¹”

Furthermore, we worry that even if insurers are forced by lawmakers to pay for excluded policies, litigation would ultimately prevent or greatly slow any payments to America’s small businesses that need help *today*, defeating the goal of providing speedy relief to companies struggling to make it through these difficult times.

Therefore, we urge the Administration and Congress to continue to work together on efforts to ensure that all businesses and workers are provided with the more immediate support they need to make it through this crisis.

Sincere regards,



Wm. Lacy Clay



Steve Stivers

¹ https://content.naic.org/article/statement_naic_statement_congressional_action_relating_covid_19.htm