

2020 Regular Session

HOUSE BILL NO. 858

BY REPRESENTATIVE DUPLESSIS

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

1 AN ACT

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

6 Be it enacted by the Legislature of Louisiana:

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

8 §1897. Claims involving business interruptions; coverage for claims arising from
9 global virus transmission or pandemic

10 A. Notwithstanding any other provisions of law to the contrary, every policy
11 of insurance insuring against loss or damage to property, which includes the loss of
12 use and occupancy and business interruption in force in this state on the effective
13 date of this Act, shall be construed to include among the covered perils under such
14 a policy, coverage for business interruption due to global virus transmission or
15 pandemic, as provided in the Emergency Proclamation Number 25 JBE 2020 and the
16 related supplemental proclamations concerning the coronavirus disease 2019
17 pandemic.

18 B. Insurers shall indemnify insured policyholders who have policies that
19 provide the coverage required pursuant to this Section, subject to the limits of the

1 insured's policy, for any loss of business or business interruption for the duration of
2 the declared public health emergency.

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

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

9 Section 3. This Act shall become effective upon signature by the governor or, if not
10 signed by the governor, upon expiration of the time for bills to become law without signature
11 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
12 vetoed by the governor and subsequently approved by the legislature, this Act shall become
13 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)