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June 22, 2020

Honorable Carolyn Maloney
U.S. House of Representatives
Washington, D.C. 20515

Dear Representative Maloney:

The National Association of Professional Insurance Agents (PIA National) writes today in support of H.R. 7011, the Pandemic Risk Insurance Act (PRIA) of 2020. PIA National represents independent insurance agencies and their employee-agents in all 50 states, Puerto Rico, and the District of Columbia.

During these tumultuous economic times, PIA National is supporting efforts to assist its members and the small business community with policy proposals that will best help them to maintain liquidity and, ultimately, solvency. While we continue to focus on providing immediate relief to small businesses, enabling them to survive the current economic climate, we also recognize the need to develop ways to prevent these dire economic consequences from emerging again in a future pandemic. As such, PIA National is pleased to support this private-public partnership program, which will guard against economic losses resulting from future pandemics.

The PRIA program would not be retroactive; it would begin on January 1, 2021 so as to synchronize with most insurance renewals, and try to create a market for pandemic-related business interruption insurance the same way terrorism risk insurance was made available after the attacks of Sept. 11, 2001. As under the Terrorism Risk Insurance Act (TRIA), the federal government's role in PRIA would be to serve as a backstop to maintain marketplace stability and to ease the burden of a future pandemic on private industry.

PRIA would permit insurers to opt into a program whereby business interruption (BI) provisions offered by participating carriers would include coverage for pandemic-related interruptions. In exchange, the federal government would cover 95% of losses incurred by a covered event (where "covered event" is defined as an outbreak of infectious disease or pandemic identified as a public health emergency according to the Secretary of Health and Human Services) if the covered event causes a certain dollar value of losses. Federal government coverage would be capped at \$750 billion in losses per year.

The program would be voluntary, but insurers that offer BI coverage would be required to include coverage for the risk of pandemics if they choose to participate. Insurers that choose not to participate in the program could still include a pandemic or virus exclusion in any BI coverage they offered.

PIA National thanks you for your leadership on this issue, and we plan to work with the business and insurance communities to increase support for this bill as it moves through the legislative process. If we can be of further assistance, please contact Jon Gentile, vice president of government relations, at jonge@pianet.org

Sincerely,



Mike Becker
Executive Vice President and CEO
PIA National