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Senator Pam Iovino Introduces Bipartisan Legislation to Support Business Interruption Insurance Claims, Provide Needed Cash Flow to Struggling Businesses **During** Crisis

Allegheny County, PA – April 28, 2020 – Today, Senator Pam Iovino (D – Allegheny & Washington) announced the introduction of bipartisan legislation to assist Pennsylvania businesses in receiving payment on business interruption insurance claims filed during the COVID-19 pandemic. Ambiguous insurance policy language is currently preventing many Pennsylvania businesses from collecting payment from their insurers. This legislation, Senate Bill 1127, would provide clarity to help ensure that insurers quickly pay meritorious business interruption claims, which could be critical to preventing a business from closing its doors. Under this legislation, businesses would not receive additional payment beyond what their existing coverage permits.

“I have heard from numerous small business owners who have consistently paid their insurance premiums yet are seeing their claims rejected during what the Pennsylvania Supreme Court has called a ‘natural disaster and a catastrophe of massive proportions,’” said Senator Iovino. “This legislation is not intended to re-write current insurance policies; we simply want to clarify Pennsylvania law regarding the interpretation of the ambiguous insurance policy wording that is preventing businesses from collecting on claims and keeping their heads above water. Businesses should be allowed to focus on retaining employees on the payroll and surviving these turbulent times, not entering costly and potentially multi-year litigation to appeal their insurers’ denial.”

Senator Iovino’s legislation would impose no costs on the Commonwealth or taxpayers. It is modeled off an Oregon statute that withstood a legal challenge to its constitutionality.

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