



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

May 8, 2020

The Honorable Steve Stivers  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Stivers:

I write in reply to your April 16, 2020 letter to President Trump regarding the impact of the coronavirus disease 2019 (COVID-19) pandemic on business interruption (BI) insurance contracts.

Treasury is actively monitoring the various proposals being discussed in Congress, state legislatures, and the private sector related to insurance and business interruption coverage. The Department is aware that several states have introduced legislative measures to retroactively change the terms of insurance contracts and compel coverage of COVID-19 BI losses. While insurers should pay valid claims, we share your concerns that these proposals fundamentally conflict with the contractual nature of insurance obligations and could introduce stability risks to the industry. Treasury looks forward to working with Congress, the states, the National Association of Insurance Commissioners, and other stakeholders in determining how to best move forward in addressing losses attributable to the current and potential future pandemics.

If you have any further questions, please direct your staff to contact the Office of Legislative Affairs.

Sincerely,

Frederick W. Vaughan  
Principal Deputy Assistant Secretary  
Office of Legislative Affairs

cc: The Honorable Andy Barr  
The Honorable Bill Posey  
The Honorable Denver Riggleman  
The Honorable Barry Loudermilk  
The Honorable Roger Williams  
The Honorable Warren Davidson

The Honorable Bryan Steil  
The Honorable Lee Zeldin  
The Honorable Bill Huizenga  
The Honorable Tom Emmer  
The Honorable Ann Wagner  
The Honorable Alex X. Mooney  
The Honorable Van Taylor  
The Honorable Scott Tipton  
The Honorable Frank D. Lucas  
The Honorable William Timmons  
The Honorable Blaine Luetkemeyer  
The Honorable Anthony Gonzalez  
The Honorable Lance Gooden  
The Honorable Ted Budd  
The Honorable John Rose