



May 19, 2020

The Honorable Members of the House Committee on Small Business Subcommittee on Innovation and Workforce Development
Washington, DC 20515

Dear Madam Chair and members of the Subcommittee:

On behalf of the Wholesale & Specialty Insurance Association (WSIA), we write in advance of the upcoming House Small Business Committee's virtual forum entitled, "Business Interruption Coverage: Are Policyholders Being Left Behind?" We appreciate the Committee's interest in the discussion around business interruption insurance. The ongoing global pandemic has wreaked havoc on businesses, small and large alike, and the recovery will take time.

WSIA is the non-profit association of professionals and specialty market leaders representing the entirety of the wholesale, specialty and surplus lines industry. Often called the "safety valve" of the insurance industry, surplus lines insurers fill the need for coverage in the marketplace by insuring those risks that are declined by the standard underwriting and pricing processes of admitted insurance carriers. With the ability to accommodate a wide variety of risks, the wholesale, specialty and surplus lines market acts as an effective supplement to the admitted market.

WSIA is committed to helping the business community during these challenging times. Our organization has taken steps internally to [encourage](#) our members to work with the insured community to provide flexibility wherever possible, as well as to work with state insurance regulators to resolve any coverage or claims issues as quickly as possible. WSIA believes that where there are business interruption insurance policies that provide coverage for COVID-19 pandemic business interruption losses, insurers should and will pay all properly submitted claims for which coverage exists.

WSIA joined a March 31 [letter](#), supported by more than 35 prominent business interests, encouraging the establishment of a COVID-19 Recovery Fund. Since that date, the [list](#) of supporters has increased to more than 100 broad-based interest groups representing more than 58 million employees and 45% of the nation's workforce, and that has led to the establishment of the America's Recovery Fund Coalition. As proposed, [America's Recovery Fund](#) would provide funding to help businesses retain and rehire staff, pay rent, adapt to new requirements and meet certain debt and tax obligations. Active support for this type of comprehensive program is the most productive approach to addressing the immediate needs of all businesses, particularly small businesses, and their employees directly impacted by the COVID-19 pandemic disruptions—not violating the U.S. Constitution and setting a dangerous precedent in contract law and insurance policy as retroactive business interruption coverage legislation would do. We strongly encourage you to support this effort to help America's businesses move forward.

Unfortunately, proposals have been introduced at the state and federal level that would retroactively change insurance policies issued for business interruption so that each policy would effectively be rewritten to include coverage for business interruption during the declared state emergency due to the



COVID-19 pandemic. If passed, they would mandate insurance policy interpretation regardless of the clear wording of the policy itself, providing a coverage never intended when the policy was underwritten and priced. We oppose any retroactive modifications to insurance policies that do not include this coverage.

WSIA stands ready to work with Congress and the business community on solutions that provide the necessary relief to our economy and help our nation recover. Please do not hesitate to contact us with any questions you may have about our industry or proposals to help the nation recover.

Sincerely,

A handwritten signature in blue ink that reads "Keri A. Kish".

Keri Kish
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A handwritten signature in blue ink that reads "Brady R. Kelley".

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