



Independent
Film & Television
Alliance



February 19, 2021

Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Honorable Sherrod Brown
Chairman
Senate Banking Committee
Washington, DC 20510

Honorable Patrick J. Toomey
Ranking Member
Senate Banking Committee
Washington, DC 20510

Dear Majority Leader Schumer, Minority Leader McConnell, Chairman Brown, and Ranking Member Toomey:

We thank you for your leadership addressing the severe damage caused to our families, workforce, and economy by the coronavirus pandemic.

As you develop the agenda for the Senate Committee on Banking, Housing, and Urban Affairs for this year, the film, TV, and sports industries respectfully request that you address the broad economic impact that the withdrawal of pandemic risk coverage has created for our businesses. The lack of business insurance coverage for coronavirus pandemic losses is a critical issue for the economy at large, but it is a threshold issue for the continued operation of our industries. Simply put, it is enormously challenging for us to go back to work absent pandemic insurance coverage. Federal legislation is needed to get American workers meaningfully back to work on films, television, and sports productions.

The film, television, and streaming industries provide 2.5 million jobs across the 50 states, including hundreds of thousands of small businesses with annual wages of more than \$200 billion. Productions were brought to an abrupt halt last March due to the COVID-19 pandemic. Our industries, especially independent film producers, have struggled to restart productions due to our inability to secure insurance against the risk of losses resulting from shutdowns or illnesses of key cast members. Without federal protection against these unprecedented risks, private banks are unable to justify financing many independent film productions and some major studios will not risk investment in high budget, large cast productions. The job loss numbers suffered in these impacted industries since March have been staggering. The pandemic has impacted 464,000 film and television jobs in the United States to date. Roughly 400 film and television productions were canceled last year. The need for federal assistance is urgent and intensifies by the day.

Prior to March 2020, specialty insurance companies that write insurance for our industries would generally provide pandemic risk insurance. However, since March, many productions are unable to obtain the insurance coverage necessary to protect filming from shutting down abruptly or being cancelled entirely as a result of COVID-related incidents. Pandemic endorsements are now excluded from insurance policies. Without a “clean” insurance policy, a content producer’s ability to obtain financing or to access the capital necessary to commence production is severely complicated or impossible. It is critical that the federal government step in immediately and fill this essential gap, giving confidence to producers and investors so our industry and others can resume operations and restore jobs.

A long-term public-private partnership on pandemic risk insurance is needed to stabilize financing and employment. The Terrorism Risk Insurance Act of 2002 (P.L. 107-297) was originally enacted following the September 11, 2001 terrorist attacks and was reauthorized again last Congress to provide a federal backstop for terrorist risk insurance. Congress needs to create a similar solution tailored to disease pandemics.

In the near term, however, our industry needs direct intervention by the federal government to jumpstart production throughout the United States, through temporary, targeted federal funds that provide the necessary guarantees of loss coverage so that productions can go forward. Such programs now exist in other countries. Providing this protection for productions now would get our U.S. industry back to work at a critical time and would ensure diversity of content in the months to come.

We urge you to hold a hearing to review the need for pandemic risk coverage in the Senate Committee on Banking, Housing, and Urban Affairs. We appreciate the actions Congress took last year to help address the myriad of health and economic issues stemming from the pandemic. In that spirit, we also urge Congress to act quickly to help “bridge” the current coverage gap while a more long-term solution can be negotiated between policymakers and the insurance industry. Inclusion of legislation in the next COVID relief package that helps solve this pressing economic problem would have a tremendous impact in creating jobs that will restore the health of the American economy.

Thank you for your consideration. We are ready to work with you on this effort.

Sincerely,

Motion Picture Association
Independent Film & Television Alliance
NASCAR
NCTA – The Internet & Television Association
National Football League
Directors Guild of America
National Association of Broadcasters
International Alliance of Theatrical Stage Employees
Producers Guild of America
American Coalition for Independent Content Production
Screen Actors Guild – American Federation of Television and Radio Artists