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BUSINESS CONTINUITY COALITION SUPPORTS PRIA LEGISLATION

Multi-Industry Group Representing More Than 70 Million U.S. Workers Advocates for Program to Keep Jobs and Businesses Protected in Future Pandemics

WASHINGTON, D.C., Nov. 2, 2021 — The [Business Continuity Coalition \(BCC\)](#) commends the leadership of Representative Carolyn B. Maloney (D-NY) for introducing today the [Pandemic Risk Insurance Act of 2021](#) (“PRIA”) legislation that will help the country prepare and respond to any future government-imposed shutdowns of the economy caused by pandemics. The BCC urges bipartisan support for this critical issue.

The Business Continuity Coalition (BCC) – consisting of policyholders representing more than 70 million workers across the U.S. – includes more than 50 industry organizations and companies from the association, broadcasting, communications, construction, entertainment, events, gaming, healthcare, hospitality, housing, manufacturing, restaurant, retail and risk management industries, as well as the apartment, healthcare, industrial, office and retail real estate sectors.

The insurance market disruption for every industry that has resulted from the current pandemic requires a public-private partnership to ensure that our economy is properly protected against pandemic risk going forward. PRIA would create a federal backstop that ensures the availability of pandemic risk coverage in all critical commercial lines of insurance.

PRIA Legislation Summary

The Maloney legislation is modeled on a similar public-private backstop that has had widespread, bipartisan support since its enactment - the Terrorism Risk Insurance Act (“TRIA”) - adopted following the 9/11 terrorist attacks.

- Like TRIA, the bill would require insurers to offer coverage in return for a government indemnification of 95% of insured losses arising from any future pandemic that results in a public health emergency.
- Unlike TRIA, there is no “insurer deductible” nor would there be any post-event recoupment, although the program would begin to pay for itself after an initial “economic recovery period.”

The bill is similar to current proposals by the insurance industry in that it establishes a parametric program for non-damage business interruption (“NDBI”) losses in recognition that rapid claims payment and minimal transaction costs are critical when the losses are as high as they may be in a pandemic. The bill also provides a pooling alternative for insurers that do not wish to directly underwrite primary NDBI coverage.

PRIA also addresses the unavailability of coverage in other crucial lines of insurance such as event cancellation, film and TV production insurance, and liability coverage for essential services. Ultimately, the bill would ensure availability of pandemic coverage while fostering the development of private reinsurance and capital market alternatives to reduce taxpayer exposure going forward.

Why the Legislation is Important

The COVID-19 pandemic has demonstrated just how unprepared our economy is for widespread closures, social distancing requirements, and other public health safety considerations that are necessary to combat a global pandemic.

A [RIMS survey](#) found that pandemic risk is now excluded or restricted on most lines of commercial property-casualty insurance, and where coverage is available, it is often cost-prohibitive without government support.

A sampling of quotes from BCC members in support of the PRIA legislation is available below. A full list of statements is accessible on the BCC website at www.businesscontinuitycoalition.com/blog:

- “ASAE strongly endorses the Pandemic Risk Insurance Act of 2021 and its robust coverage for pandemic losses – particularly for event cancellations. As a proud BCC member, ASAE thanks Congresswoman Maloney for her steadfast support of our workers, associations, businesses and communities,” said **Michelle Mason, president and CEO, American Society of Association Executives**.
- “In the insurance marketplace, much of the focus has been on business interruption losses. That’s crucial but far from the only line of coverage impacted by the pandemic. Challenges in securing film and TV production coverages, event cancellation coverage, and other contingency coverages – in our industry and others – continue to plague the marketplace, in addition to serious challenges in finding coverage for communicable disease-related losses in many commercial lines such as general liability,” said **Jean M. Prewitt, president and CEO, Independent Film & Television Alliance (IFTA)**.
- “NAB thanks Rep. Maloney and her cosponsors for introducing the Pandemic Risk Insurance Act of 2021. Broadcasters have suffered a heavy financial toll from production delays and event cancellations due to the COVID-19 pandemic, while facing escalating

production costs as they work to keep casts, crews and sets safe. Broadcasters strongly urge Congress to create an insurance framework that supports the continued investment in premier broadcast programming and events,” said **Shawn Donilon, executive vice president, government relations, National Association of Broadcasters.**

- “Manufacturers historically have the largest economic impact of any major sector and have worked tirelessly to lead the post-pandemic economic recovery. The COVID-19 pandemic showed there is more to be done to ensure manufacturing jobs and operations are not disrupted. The NAM appreciates Representative Maloney’s leadership in ensuring manufacturers have the resources necessary to maintain operations during any future pandemic related interruptions,” said **Alex Monié, director – regulatory, tax and domestic economic policy, National Association of Manufacturers.**
- “Nareit appreciates the leadership of Representative Maloney in introducing pandemic risk legislation. We maintain it is better to plan and prepare now for the future economic risks associated with pandemic-related and other potential government shutdowns of the economy,” said **Steven A. Wechsler, president and CEO, Nareit.**
- “We appreciate Congresswoman Maloney’s leadership introducing this bill. The restaurant industry faced business interruption injuries they couldn’t even begin to imagine during the pandemic and have been devastated as their insurance claims were denied. Today, they are struggling to find insurers willing to continue that coverage. For industries across the country struggling to rebuild, the public-private pandemic risk insurance program this bill creates is essential to creating the web of insurance that will indemnify them against pandemic risk now and in the future,” said **Shannon Meade, vice president, public policy and legal advocacy, National Restaurant Association.**
- “Congress must take swift action and begin contemplating a solution to provide all businesses protection against future pandemic risks. The development of a public-private partnership to address this risk will provide certainty for businesses and organizations of all sizes and will ensure that we can meet future pandemic events with greater reliance. Not every pandemic will have worldwide impact, but when and where one occurs it is likely to result in a nearly total cessation of business. This legislation is the cornerstone of a proactive approach in managing the risk and impact of a pandemic or epidemic in the future,” said **Leon Buck, vice president, government relations, banking and financial services, National Retail Federation.**
- “PRIA is an important step forward that helps to address possibly the largest unhedged risk exposure in the U.S. economy today. It is important for business policyholders to be able to secure the pandemic risk coverage necessary to maintain jobs and grow the economy. The Real Estate Roundtable and its 19 national real estate trade association partners have seen firsthand how a broad range of economic risks, including terrorism (TRIA) and floods (NFIP), underscore the need for public support when private markets fail. In those circumstances, a public-private partnership is essential to support the

economy. PRIA is positive, forward-thinking legislation that Congress needs to pass,” said **Jeffrey D. DeBoer, president and CEO, Real Estate Roundtable.**

The BCC looks forward to continuing its bipartisan engagement on this important matter and extends its appreciation to Representative Maloney, her staff and the many others behind the scenes on Capitol Hill working to find solutions to this issue.

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About the Business Continuity Coalition

The Business Continuity Coalition (BCC) – consisting of policyholders representing more than 70 million workers across the U.S. – was created to advocate for the development of a public/private business continuity insurance program to protect American jobs and to limit future economic damage from pandemics and other national emergencies that cause business interruptions and closures. The BCC includes more than 50 industry organizations and companies from the association, broadcasting, communications, construction, entertainment, events, gaming, healthcare, hospitality, housing, manufacturing, restaurant, retail and risk management industries, as well as the apartment, healthcare, industrial, office and retail real estate sectors. www.businesscontinuitycoalition.com

BCC members include: American Gaming Association, American Hotel and Lodging Association, American Institute of Architects, American Land Title Association, American Resort Development Association, American Society of Association Executives, Appraisal Institute, Argentum, Associated General Contractors, Building Owners and Managers Association, CCIM Institute, CHAMPS Healthcare, CRE Finance Council, Exhibitions & Conferences Alliance, Fox Corporation, Health, Patio & Barbecue Association, Independent Film & Television Alliance, Institute for Portfolio Alternatives, Institute of Real Estate Management, International Association of Exhibitions and Events, ICSC, International Franchise Association, Live Nation, Marriott International, Motion Picture Association, NAIOP – Commercial Real Estate Development Association, Nareit, National Apartment Association, National Association of Broadcasters, National Association of Home Builders, National Association of Manufacturers, National Council for the Social Studies, National Football League, National Independent Venue Association, National Multifamily Housing Council, National Restaurant Association, National Retail Federation, NCTA – The Internet & Television Association, Partnership for New York City, RIMS, the Risk Management Society, Society of Independent Show Organizers, Sony Pictures Entertainment, The Center for Health Affairs, The Monitoring Association, The Real Estate Board of New York, The Real Estate Roundtable, ViacomCBS, and The Walt Disney Company.