



April 20, 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader  
United States Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Chuck Schumer  
Democratic Leader  
United States Senate  
Washington, DC 20515

Dear Speaker Pelosi and Leaders McConnell, McCarthy, and Schumer:

We, the undersigned organizations, represent a broad coalition of the business community, and we commend you for passage of the Coronavirus Aid, Relief, and Economic Security (CARES) Act as a necessary step to address the challenges associated with the COVID-19 pandemic. Thank you for your leadership in response to one of the most significant health threats and economic disruptions in our nation's history.

While it is imperative to take immediate action to address the current economic crisis, we also believe that Congress must take swift action and begin contemplating a solution to provide all businesses protection against future pandemic risk, which, we should anticipate, could come as early as this fall.<sup>1</sup> U.S. businesses are already working hard to make sure that consumers can soon return to economic activity safely, and are planning for a robust return. But the private and public sectors together must face the existing risk. The development of a public-private partnership to address this risk will create certainty for businesses and organizations of all sizes across the United States, and it will ensure that we can meet future pandemic events with greater resilience.

We are in full support of a Pandemic Risk Insurance bill, also known as the "Pandemic Risk Insurance Act of 2020" (PRIA) which would mandate that businesses who could demonstrate significant business interruption and sharp decline in present and future revenue would be insured, through a pre-funded risk pool, in case of a pandemic or epidemic. This Act would also allow businesses to recoup lost revenue when large events are cancelled, thus resulting in substantial losses. The Act would create a federal "backstop" (much like the Terrorism Risk Insurance Act (TRIA)), for insurance claims related to a pandemic or epidemic. The specific

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<sup>1</sup> "Fauci: Possibility of a Covid-19 Rebound in the Fall," CNN, April 12, 2020  
(<https://www.cnn.com/videos/politics/2020/04/12/anthony-fauci-polls-november-rebound-jake-tapper-sotu-vpx.cnn>)

purpose of PRIA would be to provide for a federal loss-sharing program for certain insured losses resulting from a certified epidemic/pandemic.

A pandemic is an insurable risk and has been modeled and reinsured in the past; not every pandemic will wreak total destruction, and some might be more regional, but when one occurs, it is likely to result in a total cessation of businesses.

This approach would serve as a cornerstone to a proactive and prospective approach to managing the risk of a widespread and catastrophic pandemic or epidemic in the future. Already, while we are still struggling with the severe collateral consequences of COVID-19, U.S. businesses wishing to renew their insurance coverage have been told that the pandemic risk insurance and reinsurance market has no capacity. The vanishingly few businesses who have been able to obtain pandemic coverage endorsements to their policies will not be covered for COVID-19, or any mutation of it, if the virus returns this winter.

A federally insured pandemic risk insurance program would provide businesses of all sizes with the certainty that they need to renew leases, invest in real estate, order inventory, plan for capital improvements, and hire and re-hire workers in the coming months. PRIA would also provide a mechanism for immediate and predictable economic recovery should the nation face another pandemic—even one of lesser magnitude than COVID-19.

In sum, a pandemic insurance program would help rebuild confidence and security for our businesses and serve as a critical first step to recovery and future resilience.

Thank you for your consideration, and for your leadership at this time of great challenge.

Sincerely,

American Booksellers Association  
American Hotel & Lodging Association (AHLA)  
American Society of Association Executives  
Asian American Hotel Owners Association  
Building Owners and Managers Association (BOMA) International  
CCIM Institute  
Institute of Real Estate Management  
Institute of Scrap Recycling Industries  
International Association of Amusement Parks and Attractions  
International Council of Shopping Centers (ICSC)  
International Franchise Association  
National Multifamily Housing Council  
National Restaurant Association  
National Retail Federation  
National Waste & Recycling Association  
Retail Industry Leaders Association  
The Travel Technology Association  
U.S. Travel Association

cc: The Honorable Maxine Waters, Chairwoman, Committee on Financial Services

The Honorable Mike Crapo, Chairman, Senate Committee on Banking, Housing  
and Urban Affairs

The Honorable Patrick McHenry, Ranking Member, Committee on Financial Services

The Honorable Sherrod Brown, Ranking Member, Senate Committee on Banking, Housing  
and Urban Affairs

The Honorable Carolyn Maloney, Member, House Financial Services Committee