



Doherty Wallace Pillsbury & Murphy P.C.

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PROPOSED BILL CONCERNING BUSINESS INTERRUPTION INSURANCE

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Massachusetts lawmakers, following the actions of Ohio and New Jersey, proposed a COVID-19 Coronavirus Business Interruption Bill. The Massachusetts Bill (S.D. 2888), filed on March 24, 2020, will require insurance companies in Massachusetts to provide business interruption insurance coverage to their insureds impacted by the global pandemic.

The Bill, filed as an emergency law, aims to provide relief for business interruption directly or indirectly resulting from the pandemic occurring during the declared state of emergency in Massachusetts. Under the Bill, insurers in Massachusetts, may not deny a claim for the loss of use and occupancy and business interruption on account of (i) COVID-19 being a virus; or (ii) there being no physical damage to the property of the insured or to any other relevant property.

Bill S.D. 2888 applies only to business interruption policies in effect in

Massachusetts on the effective date of the act and the insurer would be liable for payments only to the policy's limits. The Bill applies only to policies insured to businesses with 150 or fewer eligible employees. The insurer paying on a claim may apply to the Commissioner of Insurance for relief and reimbursement of claims paid.

If enacted, the provisions would remain in effect until Governor Baker rescinds the Emergency Declaration.

We anticipate that the Bill will be opposed by the insurance industry.

Doherty Wallace will monitor the status of this legislation and keep our clients apprised.

~Stefan Sjoberg

Stefan Sjoberg is admitted to the bar in Massachusetts. His practice encompasses corporate law, real estate transactions, and estate planning.

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