

Ohio H.B. 589 - Business Interruption Insurance Fund Proposal

A bill has been introduced in Ohio's Legislature that, if passed, may provide for "Business Interruption" coverage, at least for some Ohio-based companies that had purchased such insurance before the COVID-19 pandemic. Below are the key highlights of the bill, and some practical thoughts.

Proposed Ohio House Bill 589

- Bill would cover Ohio businesses employing 100 or fewer "full-time employees," defined as those who work a normal work week of 25 or more hours.
- The "loss of business or business interruption" would be the amount lost during the duration of the "State of Emergency," which started on March 9, 2020.
- Any covered loss would be subject to applicable policy limits.

Practical Thoughts

- Proposed bill suggests that existing policies actually do not provide coverage.
- Proposed bill does not specially address any "Virus Exclusions" that might be in existing policies.
- Insurers will likely lobby against passage.
- If passed, insurers might raise a constitutional challenge.
- Even if proposed bill is passed and survives a constitutional challenge, payment will not be quick.
- Notwithstanding the above, if you are a "covered" Ohio business, you should consider submitting a claim to your insurance company.

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