

By: Schwertner

S.B. No. 249

A BILL TO BE ENTITLED

AN ACT

relating to business interruption insurance coverage for losses arising from a pandemic.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 2002, Insurance Code, is amended by adding Section 2002.007 to read as follows:

Sec. 2002.007. BUSINESS INTERRUPTION INSURANCE: PANDEMIC COVERAGE. (a) In this section, "business interruption insurance" means insurance coverage against lost income and certain operating expenses caused by the policyholder being forced to vacate the policyholder's business because of a loss covered by the policy.

(b) This section applies to each insurer that provides business interruption insurance in this state, including a county mutual insurance company, farm mutual insurance company, Lloyd's plan, and reciprocal or interinsurance exchange.

(c) Business interruption insurance must cover loss caused by a pandemic, including loss caused by the order of a civil authority made to prevent the spread of a pandemic, without regard to whether the pandemic caused a direct physical loss to the policyholder's property.

SECTION 2. The change in law made by this Act applies only to an insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2022.

SECTION 3. This Act takes effect September 1, 2021.