

Minutes
Public Act 101-0640
Business Interruption Task Force Meeting #8
November 30, 2020
11:00am-12:30pm
Locations:
CALL-IN ONLY
Call-in Information
Phone Number: 1-312-535-8110
Access Code: 1773841821#

I. Opening Comments

Erica Weyhenmeyer welcomed members and guests to the Business Interruption Task Force Meeting and thanked the members for volunteering their time and expertise for the duration of these meetings. She also stated the objective as outlined by the statute, which is to “Study the impacts of the COVID-19 pandemic on businesses and the need for changes to business interruption insurance policies based on those impacts, including recommendations for legislation.”

Erica noted that task force members, when answering questions from the public or media, are not authorized to speak on behalf of the task force. She stated that since this is an open meeting, if there are any members of the public or media present, please be aware that if you are speaking with a task force member, any comments by the task force members do not represent the opinion of the task force. This distinction ensures the group is consulted before any formal communication is made on behalf of the task force. She also made clear that the task force does not intend to issue a public comment prior to the final report. The intent of this is to foster open dialogue as the group prepares recommendations. The final report will be the only public comment made by the task force.

She stated that the task force is designed to consider possible systemic issues with business interruption policies and will not be commenting on any pending legal action or complaints filed with the Department.

II. Roll Call of Members/Guests

Erica asked members and guests to introduce themselves.

Members in attendance (alphabetically):

1. Saat Alety, Allstate
2. Chuck Feinen, State Farm
3. Norine K. Hammond, Representative
4. Thaddeus Jones, Representative
5. Kevin Martin, Illinois Insurance Association
6. Andrew Perkins, National Association of Mutual Insurance Companies
7. Steve Schneider, American Property Casualty Insurance Association
8. Shannon Whalen, Department of Insurance

Companies with an announced attendee (alphabetically):

1. American Property Casualty Insurance Association (APCIA)
2. American Family

3. AIG
4. Allstate
5. Century
6. Chubb
7. CNA
8. Illinois Insurance Association
9. Independent Insurance Agents
10. ISO
11. Katten Muchin Rosenman LLP
12. Liberty Mutual
13. Nationwide
14. Traveler's
15. Zurich

III. Minutes Adoption

Erica asked if there were any corrections to the draft minutes from last meeting. Erica asked if there was a motion to accept the minutes. Representative Hammond made a motion to accept the minutes. Kevin Martin seconded the motion. All were in favor and none opposed. The motion passed.

IV. Objective

Erica restated the objective of the task force, which consistent with PA 101-0640, is to “Study the impacts of the COVID-19 pandemic on businesses and the need for changes to business interruption insurance policies based on those impacts, including recommendations for legislation.” A report on findings and recommendations is due to the Governor and General Assembly by December 31, 2020.

V. Summary of the Congressional Hearing on Pandemic Risk

Saat Alety of Allstate gave an overview of the November 18th Congressional hearing on pandemic risk which was held by the House Subcommittee on Housing, Community Development and Insurance. The panel included five witnesses, with a broad representation of voices and a variety of opinions. There was some support for the Pandemic Risk Insurance Act (PRIA), but some healthy skepticism regarding the concepts encapsulated in the bill. Saat wanted to emphasize that Congress and the Federal Government have formally started the legislative process on addressing pandemic risk. A written summary and copies of the witness testimony are available to members.

Kevin Martin of the Illinois Insurance Association asked if legislators had discussed a timeframe. Saat responded that in general Congress is not quick acting, and with the limited amount of time left in the congressional session it is likely that there will be multiple hearings and other engagements beginning in 2021 and continuing from there.

VI. Section V Draft Presentation

Steve Schneider, Kevin Martin and Andrew Perkins presented their draft of Section V.

Steve emphasized that there were two main goals, including education and advocacy, with the advocacy piece focused on urging the federal government to act on Business Interruption, and specifically recommending a joint resolution in the Illinois General Assembly urging the Illinois congressional delegation to take action.

Kevin added that they drafted an overview of Business Interruption, including what goes into policy decisions and drives rates. He reiterated the need to urge Congress to act.

Andrew added that they have begun work on draft of a joint resolution that would be forthcoming.

Representative Hammond indicated her willingness to be a chief sponsor of a joint resolution.

VII. Discussion on All Sections

Erica asked the Task Force if there were any edits for any of the presented sections. She then reminded the group that any edits should be sent to her, and to please redline any changes, and include a date in the title of the document so the Department can keep track of the latest edits.

Chuck Feinen asked if there would be more added to Section V specifically tying the first four sections with conclusion.

Steve answered that they were deferring to the Department on the final draft.

VIII. Structure of Meetings/Next Steps

Erica indicated that the Department will have draft sent to the group by December 4th in preparation of discussion and edits during the meeting on December 7th. At the December 7th meeting a deadline for final comments, as well as the final draft will be finalized, leaving enough time for the Task Force to vote and adopt the final report on December 14th.

IX. Comments

The meeting was opened for public comments. There were no comments.

X. Adjourn

The Meeting adjourned at 11:22 am.