



NEW YORK STATE SENATOR

Andrew Gounardes

Senator Andrew Gounardes and Assemblymember Robert Carroll Call for Passage of Business Interruption Insurance Bill to Help Small Businesses after Century 21 Bankruptcy

ANDREW GOUNARDES September 14, 2020

| ISSUE: **NYS SENATOR ANDREW GOUNARDES, BUSINESS INTERRUPTION INSURANCE BILL, S8211A, CORONAVIRUS PANDEMIC; COVID-19**

Brooklyn, NY - State Senator Andrew Gounardes and Assemblymember Robert Carroll called for the urgent passage of the Business Interruption Insurance Bill, [S.8211A/A.10226](#), in the wake of the news that Century 21 has declared bankruptcy and will close its retail stores due to the failure of their insurance company to honor Century 21's business interruption insurance. The legislation mandates that insurance companies honor business interruption insurance claims during the COVID-19 state of emergency in New York.

According to [Bloomberg](#) on September 10, 2020, co-CEO of Century 21 Raymond Gindi stated that insurance companies "turned their backs on us at this most critical time. While retailers across the board have suffered greatly due to Covid-19, and Century 21 is no exception, we are confident that had we received any meaningful portion of the insurance proceeds, we would have been able to save thousands of jobs and weather the storm."

More than 1,000 business interruption insurance lawsuits have been filed across the country due to the failure of insurance companies to honor any claims related to the pandemic. Thousands of businesses across the country continue to close, and it is estimated that New York could lose up to one third of its small businesses.

“If a pandemic does not constitute a legitimate business interruption, what does? It’s time for insurance companies to stop turning their backs on businesses in their moment of need,” said **State Senator Andrew Gounardes**. “Now New Yorkers are left to deal with the consequences of insurance companies’ decisions to deny beloved businesses billions of dollars in relief. This corporate greed will have a direct negative impact on our communities and our small businesses, and we need to hold insurance companies accountable to their promises.”

“Sadly, the bankruptcy of Century 21 is just the latest casualty caused by the Insurance industry’s refusal to work with policy holders to pay legitimate claims on business interruption policies. Businesses like Century 21 have been paying business interruption premiums for decades, which is why the insurance industry has nearly \$1 Trillion in reserves,” said **Assemblymember Carroll**. “Insurance companies have been denying claims of policy holders based on businesses receiving PPP loans, vaguely written clauses that exempt virus’ and any other reason to limit their responsibility to provide legitimate insurance coverage to businesses who desperately need it. If we want to save the businesses that make New York a great and unique place to live, the legislature needs to step up and make sure insurance companies do their part and pay out legitimate claims based on COVID-19,” added Assemblymember Carroll.

2019-S8211A

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
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Relates to requiring certain perils be covered under business interruption insurance during the coronavirus disease 2019 (COVID-19) pandemic

April 17, 2020

In Senate Committee [Insurance](#)

Sponsored by [Andrew Gounardes](#)

Do you support this bill?

NAY