



NEW YORK STATE SENATOR

James Skoufis

Skoufis Calls Out Insurance Companies for Turning Backs on Small Businesses

JESSICA GULOTTA September 29, 2020

| ISSUE: **CORONAVIRUS PANDEMIC; COVID-19; SMALL BUSINESS, CORONAVIRUS PANDEMIC; SMALL BUSINESSES; FINANCIAL RELIEF, CORONAVIRUS; SMALL BUSINESSES, INSURANCE**

Senator James Skoufis (D-Hudson Valley) is calling out major insurance companies who have been using deceptive practices in the past several months in an effort to avoid paying policyholders who have experienced business interruption due to COVID-19. He is additionally calling on the State Legislature to pass a bill that would close the loophole for good and ensure insured businesses are compensated for their losses.

COVID-19 has exposed the insurance industry for acting in bad faith with their small business policyholders. Insurance companies have argued that viruses and pandemics are excluded from their list of covered “perils” under the existing standard business interruption insurance policy even though, in many cases, the policy does not state the exclusion. [S8211A](#), a bill that Skoufis co-sponsors, would clarify this discrepancy. The legislation is intended to hold harmless insured businesses for losses sustained as a result of COVID-19, but for which no such coverage is currently offered.

Hudson Valley businesses have been subject to a number of manipulative insurance practices including: proactively directing people not to file claims, stalling claims that are coming in, waiting for the statute of limitations on contracts to run out in order to avoid

paying claims, and refusing to pay if the contract doesn't have the word "virus" in it. The following insurance companies have been skirting their obligations and causing irreparable harm to our local small businesses: CNA, Travelers, NY Central Mutual, AIG, Chubb, Liberty Mutual, Hartford, Selective, Sedgwick. Skoufis is calling on these companies to do the right thing and work with policyholders to rightfully provide them with the support that they need.

"As New York State's small business community was ambushed by the COVID-19 pandemic, insurance companies stood on the sidelines, ignored contractual obligations, and have put thousands of jobs at risk," **said Senator Skoufis**. "Insurance companies have no problem collecting premiums when times are good, but are often nowhere to be found when their policyholders need help. I'm calling on these companies to stop evading payments to the very people who pay them for business interruption coverage. In the meantime, I strongly urge my colleagues to push S8211A through the Legislature, which would end this insurance industry charade once and for all."

Andrew Finkelstein is an attorney who has been working on this issue with many local businesses. Finkelstein argues that any ambiguity in an insurance policy contract is presumed to be covered, protecting the business owner first.

"Insurance companies write contracts that are ambiguous and lead policyholders to believe they are covered for business interruptions caused by government shutdowns," **said Finkelstein**. "Every first year law student knows when a contract is written with ambiguities, it is interpreted against the drafter of the contract. Insurance companies drafted each contract and they cannot avoid their obligations by now claiming closures due to civil authority are not covered."

Fred Visconti is the owner of Visconti Rides, a bus company that provides school busses for many school districts in Orange County including the Newburgh Enlarged City School District. When the pandemic hit and schools were closed, Visconti's business was severely impacted. After fighting with his insurance company to provide business interruption coverage, he sought legal representation.

"The insurance company had no problem taking my money for a policy that covered losses from business interruptions caused by the government shutdown," **said Visconti**. "Now, when it's time to collect on my policy they are trying to say the policy doesn't say what it says. It is not right and I am grateful to Senator Skoufis for championing the legislation that will hold these insurance companies accountable."

S8211A, the bill that Senator Skoufis co-sponsors, is currently in the Senate Insurance Committee and has been introduced in the Assembly.

Please see the [linked video](#).

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RELATED LEGISLATION

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](#)

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Do you support this bill?