

CHAMBER OF COMMERCE  
OF THE  
UNITED STATES OF AMERICA

NEIL L. BRADLEY  
EXECUTIVE VICE PRESIDENT &  
CHIEF POLICY OFFICER

1615 H STREET, NW  
WASHINGTON, DC 20062  
(202) 463-5310

April 29, 2020

The Honorable Mike Crapo  
Chairman  
Committee on Banking,  
Housing, & Urban Affairs  
United States Senate  
Washington, DC 20510

The Honorable Maxine Waters  
Chairwoman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Sherrod Brown  
Ranking Member  
Committee on Banking,  
Housing, & Urban Affairs  
United States Senate  
Washington, DC 20510

The Honorable Patrick McHenry  
Ranking Member  
Committee on Financial Services  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Crapo, Chairwoman Waters, Ranking Member Brown, and Ranking Member McHenry:

The U.S. Chamber of Commerce applauds Congress' swift response in enacting legislation to help businesses weather the current economic crisis caused by the coronavirus pandemic. We believe that your leadership is critical to addressing current relief efforts and to creating mechanisms to provide financial relief in the event of future pandemics. Any relief must be quick, efficient, and provide the ability to return to growth. The principles listed below are important to achieve these goals now and in the future.

**Continued Relief for Businesses and Restarting the Economy**

The federal government should continue to focus on quickly and broadly providing relief to business disrupted by the pandemic. The Paycheck Protection Program, SBA's Emergency Industry Disaster Loans, and facilities utilizing the Treasury Department's Exchange Stabilization Fund are key to solving the liquidity issues immediately facing businesses. These various programs are providing much-needed relief to American workers and their employers. The Chamber has strongly urged Congress to prioritize ensuring these programs have adequate resources.

As we move to a phased re-opening of our economy, the Chamber looks forward to working with you to develop effective programs to 1) support businesses that will be required to address operational issues and health-based limits on serving customers (e.g. occupancy restrictions) during the phased re-opening and 2) anticipate potential future localized or regional shutdowns in response to a resurgence of the coronavirus. These programs are essential to effectively re-starting the economy, mitigating the impact of the current pandemic and must be the immediate priority.

## **Honoring Contracts**

The Chamber has always defended the right of parties to contract for goods, materials and services. At the same time the Chamber has steadfastly opposed efforts by Congress to rewrite or abrogate existing contracts.

As we look to gradually reopen the U.S. economy, businesses will need a strong property and casualty insurance market to serve their needs. If Congress abrogates contracts for business interruption insurance policies, it could bankrupt property casualty insurers that American businesses depends on to manage a wide range of risks such as natural disasters. Abrogating contracts will only create uncertainty, now and in the future, to the detriment of both insurers and their policyholders.

## **Creation of a Prospective Federal Pandemic Program**

The Chamber understands that there is considerable interest in creating a federal program to manage the extraordinarily unique financial risks of potential future pandemics that challenge traditional private market-oriented solutions. We will continue to work with our broad membership to develop views on specific legislative proposals but would offer the following initial principles:

- 1) Any legislation that would establish a prospective pandemic program should go through a full, transparent and deliberative process. Any federal pandemic system must provide eligible businesses with adequate, timely relief that will compensate for harm and quickly put firms back on the road to growth. The program must be workable for all stakeholders in order to give businesses the certainty that they need in the face of future pandemics;
- 2) Pandemics are not an “insurable risk” in the aggregate given there is a considerably high likelihood that every policyholder will simultaneously have a claim. The risk cannot be adequately diversified and there is theoretically no limit to the claims, thus requiring the full support of the federal government. Therefore, any federal program to provide for pandemic relief should be established through a federal trust fund or through government sponsored insurance; and
- 3) Any program should avoid mandating that insurance companies write, or service policies associated with any federal program to cover pandemics. At the same time, insurers should be available to provide their expertise and experience to structure an effective program using appropriate resources.

Your leadership is crucial as the business community partners with policymakers to provide relief from the ongoing pandemic and to construct smart policies to protect American workers, American businesses, and our economy going forward. We look forward to working with you on these issues which are critical to the American economy.

Sincerely,



Neil L. Bradley