



Can we look to our elected officials in Washington D.C. to help out the restaurant industry following the devastating effects of COVID-19?

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In the immediate aftermath of the September 11, 2001 terrorist attacks, the United States Congress came together in a bipartisan fashion and passed a number of bills to protect the American people and economy from the effects of a future attack. One of those bills was signed into law on November 26, 2002 by then president George W. Bush. **The Terrorism Risk Insurance Act of 2002 (TRIA)** was designed to allow the federal government to share in the costs of losses with commercial insurers in the event of a future terrorist attack. The program was initially designed to be a temporary three-year program. It required the insurance coverage be made available but did not require insureds to purchase the coverage. It has since been renewed four times ('05, '07, '15, '19) and isn't set to expire for another five years in 2027.

Admittedly, Congress has taken some action in response to COVID-19 in an effort to help the industry. There has been \$28.6B designated to the Restaurant Revitalization Fund, \$70B in PPP loans and \$21.5M in the restaurant Employee Relief fund. Despite these actions, we continue to see the industry struggle and local restaurants are closing their doors for good as the new Omicron variant sweeps the country and continues to impact operations and labor numbers.

Many operators were under the impression they had insurance to cover the business interruption losses and extra expenses related to shutting down because of the virus or related locally mandated health measures. Unfortunately, too many of those operators received a devastating denial letter with the words "**direct physical loss of or damage to property**". Those words essentially putting them out of business for good.

Here we are almost halfway through 2022 still dealing with the virus and related issues. Some parts of the restaurant industry are recovering, others continue to struggle. The forecasts from experts indicate a full recovery to pre-pandemic numbers is a few years down the road.

The polarized environment in DC has clearly shown, our elected officials are virtually unable to work together to accomplish anything of value and even common sense legislation has no chance of moving forward. There was a glimmer of hope in late 2021 when Representative Carolyn Maloney of New York submitted H.R. 5823, known as the "**Pandemic Risk Insurance Act of 2021 (PRIA)**". The purpose is listed as a federal program that provides shared public and private compensation for property and casualty insurance losses resulting from a pandemic or outbreak of communicable or infectious disease. This bill would provide some compensation for 180 days worth of fixed costs and payroll, more importantly this would be triggered irrespective of physical status or condition of the insured physical location.

This bill falls into the category of common sense legislation to me and probably deserves intelligent debate and discussion. Unfortunately, Ms. Maloney is a Democrat in the House of Representatives and is unable to find one single Republican to help sponsor this bill. My connections on the hill tell me there is a tad bit of support in the Senate but right now there is little hope of getting this to move forward.

Most staffers will tell you, nothing is getting done in 2022 until after the mid-term elections I've been keeping my eyes on the **National Flood Insurance Program** since 2017, it is another program that impacts the restaurant industry and needs to be addressed in a bi-partisan manner, fortunately members understand it can't be allowed to expire so it continues to get emergency extensions but no real action or movement to a long term solution is in the future. In my opinion, I don't think we should count on any solutions from our elected officials any time soon.