**Update Regarding Business Interruption and the Insurance Companies**

Earlier this week, Massachusetts State Senator James B. Eldridge from Middlesex and Worcester Districts, proposed a bill (S.D. 2888) which would retroactively rewrite business interruption insurance policies in Massachusetts. For companies with 150 or fewer employees in the Commonwealth that had business interruption coverage as of Gov. Baker’s State of Emergency Order on March 10, 2020, this bill would require insurance companies to treat Covid-19 as a covered cause of loss and would consider it direct physical damage to the insured property - the two roadblocks in affording coverage under the current versions of most insurance policies. All other terms and conditions of the policies would remain in place, such as limits of liability. Carriers who are forced to pay claims pursuant to this bill would be eligible for reimbursement from the Division of Insurance based on procedures that are yet to be determined.

There’s obviously great opposition to this bill, and many are arguing that this violates the Constitution provision prohibiting states from impairing the contractual obligation of private parties.