



April 23, 2020

Governor Jared Polis
State Capitol Bldg.
200 E. Colfax, RM 136
Denver, CO 80203

Representative Dylan Roberts
State Capitol Bldg.
200 E. Colfax, RM 307
Denver, CO 80203

Representative Scott Tipton
225 North 5th Street Ste 7002
Grand Junction, CO 81501

Senator Michael Bennet
1244 Speer Blvd.
Denver, CO 80204

Representative Kerry Donovan
State Capitol Bldg.
200 E. Colfax, RM 346
Denver, CO 80203

Senator Cory Gardner
1961 Stout Street Ste #12-300
Denver, CO 80294

Representative Julie McCluskie
State Capital Bldg.
200 E. Colfax, RM 307
Denver, CO 80203

RE: SMALL BUSINESS INSURANCE CLAIM DENIALS

Dear Governor Polis, Senator Bennet, Senator Gardner, Representatives Donovan, McCluskie, Roberts and Tipton:

Much akin to our neighboring small towns, Aspen has yet another matter creating further havoc for small business as we gear toward recovery from COVID-19. Across the state of Colorado, small businesses have been forced to close due to State and County orders. Locally we have followed these restrictive orders and it is believed we have flattened the curve, but as we embark upon recovery our businesses fall flat.

Denial. Many, if not most, small businesses have filed “interruption of business” claims with their insurance carriers, but they have all had their claims denied. This hardship, along with the closure, loss of revenue and resultant furloughs are causing further impacts. Our City Council approved a rent relief grant program to give local retailers and restaurants relief in response to the coronavirus crisis. This method is striking a balance. We request you attempt to do the same.

Appeal. Insurance companies added an exclusion to their policies for loss due to a “virus or bacteria” in response to the previous viral outbreaks including the SARS epidemic in 2003. One local restaurant owner received a letter from his carrier simply explaining, “if you think you’re going to try to make a claim on this, it’s not going to work. We’re not going to cover you.” Over the last 32 years that local restaurateur has been open, no claims have been made, yet business interruption insurance has been paid for decades. We are appealing to you to follow the lead of other states’ lawmakers and regulators who are pressuring insurers to go beyond the legal

language of policies to get cash to Coloradans who face mounting losses resulting from the shutdown.

Colorado Query. In order to better inform prospective public policy, we suggest that Colorado query all insurers licensed in Colorado on COVID-19 related business interruption claims filed, and the nature and scope of business interruption coverage underwritten in Colorado. California is pursuing this path in order to assess options.

New Jersey, New York and Pennsylvania along with five other states have proposed legislation that would force insurers to cover business interruption losses resulting from government-mandated action to tackle the COVID-19 crisis. Under the states' draft bills, insurers would honor claims and then seek reimbursement for payments made under the law, even if policies contain virus exclusions.

We encourage you to support this appeal that will address the needs of our Colorado businesses that have had insurance claims denied, and which are struggling to survive. It is our coalition of voices and steadfast collaboration that enables Colorado to persevere.

Sincerely,

A handwritten signature in black ink that reads "TORRE" in all caps, with a stylized, cursive-like flourish at the end.

Torre, Mayor
City of Aspen

City Council members: Ward Hauenstein, Skippy Mesirow, Ann Mullins, Rachael Richards

Cc: Michael Conway, Colorado Insurance Commissioner, DOI