

Business Continuity Protection Program (BCPP)

Executive Summary:

Pandemic risk protection has been largely unavailable in the private marketplace because it is inherently uninsurable. But insurers have been developing solutions that work for our customers and all parts of the industry to provide protection against widespread economic shutdowns due to a viral outbreak. APCA and NAMIC represent the vast majority of the home, auto, and business property casualty insurance underwriters and jointly support the Business Continuity Protection Program (BCPP).

Purpose: The BCPP is designed to bolster the country's economic resilience by providing timely and efficient financial protection and payroll support to the private sector in the event of a future declared public health emergency.

How it Works:

- Businesses purchase revenue replacement assistance from the BCPP – up to 80% of payroll and other expenses.
- Applications are based on past years' tax return data.
- Businesses certify that they will use any funds received for retaining employees and paying necessary operating expenses and that they will follow applicable federal pandemic guidance.
- Relief is automatically triggered following a federally declared public health emergency.

Application:

- Applications would be simple to complete, using a one-page electronic application that includes information directly from the business' previous annual tax returns (e.g., IRS [Form 1120](#) or [Form 990](#)).
- Protection must be purchased at least 90 days before the Presidential declaration.
- Businesses could choose a desired level of protection for 3 months relief for up to 80% of: payroll (excluding highly compensated employees); employee benefits; and operating expenses.
- Multistate businesses would provide a specific allocation of protection at the time of application or renewal.
- Businesses would attest to compliance with federal pandemic guidelines and certify that any relief assistance would be used to retain employees and keep the business viable.
- Eligible businesses would include any firm incorporated in the U.S./Territories - including nonprofits.

Business Continuity Payments:

- Businesses purchase revenue replacement assistance through state-regulated insurance entities that voluntarily participate with the BCPP.
- Relief would be automatically triggered and immediately paid following a Presidential viral emergency declaration (no advance documentation or claims adjustment).
- Closure declarations would specify which types of businesses are partly or fully closed (referencing business categorization under the North American Industry Classification System ([NAICS](#))).

Program Administration:

- The BCPP would be run by FEMA, with limited administrative assistance from private contractors.
- Post-relief auditing for valid use of funds enforced through fines, required repayment, and criminal penalties.
- Every year, the BCPP shall consider purchasing reinsurance from payments received to protect federal taxpayers.
- The BCPP would work with risk mitigation experts to develop pandemic and viral risk mitigation guidelines and safety standards for businesses that would be provided to the purchaser at time of application and payment.