

*The text of Ranking Member Scott's remarks, as prepared, is below.*

“In early spring of last year, our country was in the midst of an unprecedented economic boom as the pro-growth policies put in place over the previous four years fueled robust job creation and helped hard-working Americans hold on to more of their own paychecks.

“The US unemployment rate hit the lowest level in half a century (3.5 percent), average hourly earnings were on the rise, and the overall poverty rate reached a historic low (10.5 percent).

“The U.S. economy was the strongest it has ever been, and strengthening every day.

“No one could have foreseen the global pandemic that would change all of that in a matter of weeks.

“The onset of the COVID-19 emergency had a rapid and severe impact on the physical and economic health of our country.

“The early months of the crisis were a time of exceptional economic hardship for many small businesses, families, and individuals.

“In my home state of South Carolina, our thriving tourism and hospitality industries were especially hard hit.

“Fortunately, Congress acted quickly to pass the CARES Act, putting much needed cash directly into the hands of American workers and families, providing rapid relief to small businesses, and helping to stabilize our markets and the economy.

“The CARES Act specifically created the Paycheck Protection Program (PPP) to provide struggling small businesses and their employees financial assistance as they weathered pandemic-related temporary closures or reduced service availability.

“Congress chose the PPP as the appropriate approach to quickly get federal aid into the hands of small businesses, rather than attempting to retroactively change

business interruption (BI) insurance contracts that do not cover pandemics and viruses – a choice I support wholeheartedly.

“Now, over a year removed from the early, frantic days of the COVID-19 pandemic, Congress has the opportunity to learn from this experience as we begin to consider what steps should be taken to address future pandemic risk.

“During this hearing, I look forward to hearing more about: the insurability, either by public or private entities, of pandemic-related businesses losses; pandemic risk insurance proposals and frameworks that have been proposed in Congress or by private sector stakeholders; the challenges for businesses, insurance carriers, taxpayers, and state and federal governments associated with implementing any of these approaches to pandemic risk insurance; and whether not implementing a federal pandemic risk insurance program in the United States would present any long-term economic risks or affect the country’s global competitiveness.

“I appreciate all of today’s witnesses for joining the subcommittee this morning to examine this very important issue and look forward to our discussions.”

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