

## **STATEMENT OF ADENAH BAYOH**

**“Examining Frameworks to Address Future Pandemic Risk”**

### **HEARING BEFORE THE SENATE BANKING COMMITTEE’S SUBCOMMITTEE ON SECURITIES, INSURANCE AND INVESTMENT**

**July 22, 2021**

Chairman Menendez, Ranking Member Scott, and Subcommittee Members:

Thank you for the invitation to testify on this critical issue from the policyholder, small business owner perspective. I am a restaurant owner several times over - an IHOP franchisee of 15 years, Co-founder of Cornbread Farm To Soul, Founder of Urban Vegan and the President and CEO of Adenah Bayoh and Companies. I am also a member of the National Restaurant Association and the New Jersey Restaurant and Hospitality Association, which have made finding a legislative solution to future pandemic risks a key priority.

I am fortunate to have lived the American dream. At age 13, I escaped the civil war in my native country of Liberia and immigrated to the United States. I began my career as an entrepreneur at an early age. After attending public high school in Newark, New Jersey and putting myself through college where I earned a degree in business management, I secured a job in banking and began purchasing multi-family homes as investments. Following the financial success of these investments, I left my banking position to concentrate on building my own business with a focus on transforming and empowering disadvantaged communities.

Inspired by my grandmother, who owned a restaurant in Liberia, I used the profits generated from my real estate investments to open an IHOP in Irvington, New Jersey. When I cut the ribbon on my first IHOP location at age 29, I was the youngest IHOP franchisee in the country. By 2010, this location became the fastest growing in the Northeast and it remains one of the top grossing in the region.

Pre-COVID, I employed 229 employees and am currently trying to rebuild my workforce but, like other employers, I am facing labor shortage challenges. Yet, I remain guided by a commitment to service and continuous investment in my staff. I believe in training new hires with valuable life skills that apply beyond their work in the restaurant, extending throughout their lives and future careers.

In March 2014, I was honored as one of the TOP 50 Women in Business by the publication NJBIZ and was the cover story in its March 24<sup>th</sup> issue. In January 2015, I was appointed to the Federal Reserve Bank of New York Advisory Council on Small Business and Agriculture. One of my proudest accomplishments was in December 2015 when I was named to Ebony Magazine’s Power 100 list alongside such luminaries as former U.S. Attorney General Loretta Lynch and Oscar winning actress Viola Davis.

Despite all of my hard-earned successes, everything came crashing down in March of last year, when restaurants were among the first businesses to shut down.

I had business interruption insurance with Chubb and Liberty Mutual. It was to cover 12 months of actual loss of business income, if something ever happened to my business and I needed to shut down. I paid annually an average of \$ 275,000.00 in insurance premiums. When the pandemic hit, I immediately contacted my insurance company. My broker advised me that viruses and pandemics were excluded from insurance policies like mine and although I was ordered to close most of my businesses by the Governor, there would be no relief from my insurance company. I was shocked to find that my insurance coverage was not there for me when I needed help the most. This harsh reality soon set in. I began trying desperately to figure out how to cover my financial obligations and, most importantly, how to take care of the people who rely on me to feed their families. At the outset of the crisis, I struggled to continue paying my employees from proceeds generated by the business given the mandated shutdown and the fear that gripped the dining public in those early days. Nevertheless, I made a courageous decision for the first month of the statewide shutdown to continue paying my employees despite the precarious situation. I agreed to pay all my employees their average weekly pay whether they worked or not. I did this to ensure that my staff, including single mothers, could put food on the table. Although I was unable to fully resume normal business operations, I felt a duty to help our valued team members until government programs could fill the gap. As an owner of several restaurants, I was nearly bankrupted by this, but I have no regrets.

Like so many others in the restaurant and foodservice industry, my life's work was decimated by the COVID-19 pandemic. My restaurant sales and jobs were devastated by this crisis. I had to make the hard decision to close 3 newly built stores in Pennsylvania and lay off 16 persons due to these closures. I have seen some of my restaurants on average lose 50% of their revenue at some point during this pandemic. The hardest part of this crisis was not just seeing the impact on my restaurants and my businesses but the impact within the communities in which I operate. Yet, I continued to do my part. We gave away almost 10,000 free pancakes, we fed essential workers, we gave free lunch to school children and fed overnight nursing staff who were unable to get dinner due to cafeteria shutdowns. The most heartfelt part of all of this was seeing some of my employees volunteer to help feed and assist the communities in which they live and work.

Mr. Chairman, notwithstanding the devastating impacts of the pandemic, I remain optimistic and enthusiastic about our future recovery and growth, but the road to recovery will be long and complicated. The magnitude of the COVID-19 pandemic's financial and social impacts has exposed significant shortcomings and vulnerabilities in our country's preparedness to deal with catastrophic events of this scale, which includes gaps in insurance protection for losses from business interruption.

I agreed to participate in this hearing today because I understand that Pandemic Risk Insurance is a viable solution that would cover future pandemics to allow continuity in Main Street businesses especially Black and Brown communities like mine. A program like this should be enacted into law, as soon as possible, because we don't know for certain when the next pandemic will come. We certainly didn't see COVID-19 coming.

I would like to note that the National Restaurant Association, is a member of the Business Continuity Coalition (BCC). The BCC is advocating for the development of a public-private partnership, with the right incentives for all parties, to mitigate the future economic impact of pandemics. Such a federal program would help businesses obtain affordable insurance coverage for pandemics, modeled upon the terrorism risk insurance program that Congress put in place after 9/11 when businesses could not obtain coverage for acts of terrorism.

This country needs a Pandemic Risk Insurance Program to ensure that Main Street businesses and employees have certainty and continuity in the ability to navigate the impact of a future pandemic. I defer to the experts on the panel regarding the technicalities, but from a small business owner's perspective any federal backstop should support not only non-damage business interruption coverage but also other pandemic impacted lines of insurance, such as event cancellation, workers compensation, and general and employment practices liability insurance. These lines may need to be supported by a robust backstop even for a recurrence of COVID-19. The time is now for solution.

Mr. Chairman and Ranking Member, thank you again for the opportunity to testify. I am happy to answer any questions you or other members of the Committee may have.