

State Regulatory Responses to COVID-19

State	Cancellation and Nonrenewal Moratoriums, Premium Payment Grace Periods, and Similar Policyholder Accommodations
Alaska	Bulletin B 20-08 (March 18, 2020) – The bulletin notes that the Division of Insurance prohibits carriers from terminating insurance contracts due to nonpayment and that any grace period does not eliminate the obligation to pay. It also encourages carriers to work with policyholders in the collection of premiums and to waive all late fees. The bulletin remains in effect until June 1, 2020.
Arkansas	Bulletin No. 6-2020 (March 20, 2020) – The Insurance Department issued a 60-day moratorium on the cancellation or non-renewal of policies of the nonpayment of premium for Arkansans diagnosed with or that have positively tested for COVID-19. The moratorium applies to all insurance policies, but affected policyholders must request this extension from their insurers. Insurers may request proof of the diagnosis.
California	Notice (March 18, 2020) – The Insurance Commissioner is requesting that all insurers provide all insureds with at least a 60-day grace period to pay premiums. The notice also asks all insurance agents, brokers, and other licensees who accept premium payments on behalf of insurers to take steps to ensure that customers have the ability to make prompt insurance payments, and it indicates that this should include alternate methods of payment, such as online payments, to eliminate the need for in-person payment methods.
Connecticut	Bulletin Number IC-49 (March 24, 2020) – The Insurance Department is requesting that all insurance companies provide insureds with at least a 60-day grace period to pay premiums, without penalty of interest, so that policies are not cancelled for nonpayment. Providing such a grace period is not intended to change the terms of the issued policy or be considered a forgiveness of the premium. The bulletin also requests that all insurance agents, brokers, and other licensees who accept premium payments on behalf of insurers to take steps to ensure that customers have the ability to make these payments promptly, and it indicates that this should include alternate methods of payment, such as online payments, to eliminate the need for in-person payment methods.
Delaware	Bulletin (March 20, 2020) – Among other provisions, the bulletin requests that all insurers in the state (in all lines) suspend cancellations and nonrenewals due to nonpayment of premium while the Governor’s State of Emergency is in effect. The bulletin also advises all producers to take all necessary actions to ensure their ability to promptly service claims and provide other essential services to insureds affected by the COVID-19 crisis.
Georgia	Directive 20-EX-5 (March 20, 2020) – The directive requires all P&C insurers to refrain from cancelling any commercial policies due to nonpayment of for 60 days and notes that this moratorium could be extended. It also directs health insurers to refrain from canceling health policies due to nonpayment until further notice.
Indiana	Executive Order 20-05 (March 19, 2020) – The order requests that insurers institute a 60-day moratorium on policy cancellations for non-payment of premiums in any line of business. The moratorium does not suspend a policyholder’s responsibility for continuing to make premium payments.
Maine	Bulletin 442 (March 12, 2020) – The bulletin states that carriers must prioritize consumers’ needs, make every effort to expedite claims approvals and payments and other essential customer service functions, and make all reasonable accommodations for late payments and other problems that are beyond the consumer’s control.

Maryland	<p>Bulletin 20-10 (March 20, 2020) – The Insurance Commissioner encourages all life, health, and P&C carriers to make reasonable accommodations so that policyholders do not lose coverage for nonpayment of premium during the emergency. The bulletin notes that reasonable accommodations may include suspension of premiums due, extension of billing due dates and premium grace periods, and waiver of installment and late payment fees. It also states that insurers should take steps to encourage policyholders to use electronic payment technology on websites, apps and electronic bank transfers whenever possible.</p>
Massachusetts	<p>Bulletin 2020-05 (March 23, 2020) – The bulletin advises all insurers to provide employers and individuals with as much flexibility as is reasonably possible during the crisis to maintain their existing coverage. It also indicates that carriers should do all of the following: (1) explore ways to streamline or delay the submission of administrative paperwork that may jeopardize the maintenance or issuance of coverage; (2) explain grace periods that usually allow distressed policyholders experiencing significant financial hardship to delay payments without coverage being terminated; (3) on a case-by-case basis, work with policyholders experiencing financial hardship to find the best ways to address concerns with the timing of premium payments in order to delay cancellation for nonpayment and collection activity; and (4) explore all possible ways to relax due dates for premium payments; extend grace periods; waive late fees, non-sufficient funds fees, installment fees, and penalties; allow payment plans for premiums payments; assist affected policyholders to find ways that policies do not lapse; and consider cancellation and nonrenewal of policies only after exhausting other efforts to work with policyholders to continue coverage.</p>
Mississippi	<p>Bulletin 2020-3 (March 24, 2020) – The Insurance Department issued a 60-day moratorium on the cancellation or nonrenewal of policies for the nonpayment of premiums (effective March 14, 2020), and this applies to all policies issued or issued for delivery in the state. The bulletin makes clear that the moratorium is not a waiver on premium, and it directs insurers to work with impacted policyholders in paying premiums that become due during the moratorium period by either allowing a payment plan or a further extension of the due date for the amount in full.</p>
Missouri	<p>Bulletin 20-05 (March 21, 2020) – The bulletin indicates that coverage for Missouri residents should continue under all insurance policies in effect as of March 13, 2020, and shall remain in effect until such time as Executive Order 20-04 is terminated or the bulletin is rescinded (whichever is later). It also strongly encourages insurers not to cancel, nonrenew, or terminate coverage while this bulletin is in effect and notes that this does not require a waiver of any premiums or other consideration owed on any policy or contract during this period of time. The bulletin also states that the Department anticipates that a failure to pay premiums or remit consideration may subject the policy to a retroactive cancellation in accordance with the policy terms. Finally, the bulletin outlines a separate set of procedures for health insurers to follow.</p>
New Mexico	<p>Bulletin 2020-006 (March 20, 2020) – The bulletin requests all insurance companies to refrain from cancelling or nonrenewing policies for policyholders negatively affected by the disruption due to nonpayment of premiums during the public emergency, or at a minimum, provided extended grace periods for payment of premiums. It encourages the continuation of these practices until 30 days after the emergency is declared over and requests that all insurance companies work with insureds after the emergency is over to allow them to catch up on past due premiums in installments without loss of coverage. The bulletin also requests that all insurance agents, brokers, and other licensees who accept premium payments on behalf of insurers to take steps to ensure that customers have the ability to make these payments, and it indicates that this should include alternate methods of payment, such as online payments, to eliminate the need for in-person payment methods.</p>
New Jersey	<p>Bulletin 20-04 (March 19, 2020) – Consistent with prudent insurance practices, the Department of Banking and Insurance encourages regulated entities and individuals to take such measures as relaxing due dates for premium payments and insurance policy-based loan payments, extending grace periods, waiving late fees and penalties, allowing forbearance with regard to the cancellation and nonrenewal of policies, allowing payment plans for premium payments, extending timeframes to complete property and automobile inspections or undergo medical exams, and exercising judicious efforts to assist affected policyholders</p>

	and work with them to make sure that their insurance policies do not lapse.
New York	<p>Insurance Circular Letter No. 7 (March 19, 2020) – The letter urges all regulated entities to help alleviate the adverse impact of COVID-19 on those consumers and small businesses that can demonstrate financial hardship caused by the outbreak, including taking reasonable and prudent actions to support affected New Yorkers by:</p> <ul style="list-style-type: none"> • Offering payment accommodations, such as allowing consumers to defer payments at no cost, extending payment due dates, or waiving late or reinstatement fees, where consumers are unable to make timely payments of premium or fees due to COVID-19-related disruptions; • Working with consumers to avoid cancellation of insurance policies for (a) failure to pay premiums on time, (b) discovery of acts or omissions that may have increased the hazard insured against, or (c) physical changes in the property insured subsequent to issuance or last renewal that result in the property no longer meeting the insurer’s underwriting standards; • Working with consumers to avoid non-renewal of insurance policies where a consumer fails to timely respond to a non-renewal notice; • Increasing resources as necessary to accommodate increased claim submissions and increased inquiries from consumers about policy coverage benefits, including reviewing staffing plans to ensure that sufficient personnel are available to field claim submissions or inquiries and are informed on the most up-to-date developments relating to COVID-19; • Preparing clear and concise descriptions of coverage benefits that may be triggered as the COVID-19 situation continues to evolve, which should be posted prominently on insurance company and producer websites and sent in response to policyholder inquiries; • Alerting consumers to the heightened risk of scams and price gouging during financial disruptions, and reminding consumers to contact their insurance providers before purchasing unsolicited insurance policies or changing the terms of current insurance policies; • Ensuring that consumers do not experience a disruption of service if regulated entities close their offices, including making available other avenues for consumers to continue to manage their products and to submit inquiries and claims; • Providing flexibility regarding proof of death, disability, or other condition that triggers benefits under life insurance policies or annuity contracts; • Providing consumers with information and timely access to all medically necessary covered health care services, including testing and treatment for COVID-19, in accordance with all applicable DFS guidance, including DFS Guidance on Preparedness for Coronavirus (COVID-19) and DFS Guidance on Coronavirus and Telehealth Services; and • Proactively reaching out to customers via app announcements, text, email, or otherwise to explain the above-listed assistance being offered to consumers.
Oklahoma	<p>Bulletin PC 2020-01 (March 20, 2020) – The bulletin indicates that P&C carriers should extend their applicable grace period for nonpayment of premium by an additional 45 days, but any such extension does not relieve an insured of the obligation to pay and is merely a deferral.</p>
Pennsylvania	<p>Notice 2020-04 (March 19, 2020) – The Insurance Department encourages the entities and individuals it regulates to assist those affected by the outbreak, and the notice applies to commercial and personal, property, casualty, accident and health and life policies. It indicates that insurers should consider the following actions: consistent with prudent insurance practices, relaxing due dates for premiums payments, extending grace periods, waiving late fees and penalties, and allowing payment plans for premiums payments to otherwise avoid a lapse in coverage. The notice also states that insurers should consider cancellation or non-renewal of policies only after exhausting other efforts to work with policyholders to continue coverage.</p>

South Carolina	<p>Bulletin 2020-02 (March 25, 2020) – The bulletin issued by NAIC President Ray Farmer advises all insurers and other licensed or authorized entities and individuals that the Director of Insurance expects the industry to work with citizens and businesses directly impacted by the outbreak to provide relief from certain insurance requirements. The guidance notes that such relief may include, but is not limited to the following: extension of premium payment deadlines; additional time before non-renewals or cancellations become effective; extension of proof of loss deadlines; waivers of limitations relating to the use of out-of-network providers; relaxing time limitations to allow for early prescription refills; relaxing prescription drug formulary limitations to ensure access to prescription drugs resulting from drug shortage or access issues; increasing access to medical care via telehealth; or waiver of fees, penalties or other charges relating to an insured’s temporary inability to submit premium payments or otherwise respond as a result of this pandemic.</p>
Tennessee	<p>Bulletin 20-03 (March 24, 2020) – The Department of Commerce and Insurance requests that carrier provide customers with as much flexibility as practicable during the outbreak and work with those that have concerns about their ability to make premium payments. The bulletin states that insurers should explain options for maintaining continuous coverage and applicable grace periods, and, among other provisions, says they should explore ways to eliminate late fees and similar charges.</p>
Texas	<p>Commissioner’s Bulletin B-0007-20 (March 23, 2020) – The Department of Insurance expects all carriers to work with policyholders who may experience financial hardships due to the outbreak and encourages them to use grace periods for payments, temporary suspension of premium payments (which does not mean forgiveness of the premium), payment plans, and other actions that allow continuing insurance coverage as appropriate. Automatic bank drafts for premium payments may continue according to a carrier’s written agreement with a policyholder, unless a policyholder notifies a carrier of a specific hardship. This should be weighed against the potential disruption to a carrier’s business model or the inconvenience caused to the policyholder by multiple payments. It is the Department’s expectation that carriers will work directly with policyholders to resolve issues and minimize the effects of any penalties or additional charges.</p>
Vermont	<p>Guidance (March 20, 2020) – The Department of Financial Regulation encourages insurance carriers to be flexible with premium payment plans and premium deposit requirements for businesses that are temporarily closed due to COVID-19 mitigation actions. If carriers can delay or reduce premium payments, this action may assist insureds in keeping their policy active during their temporary shutdown. The Department also suggests that, whenever possible, insureds keep their policies active as there are risks that all businesses encounter even if they are not open for business such as property damage from a peril and premises liability exposures.</p>
Washington	<p>Emergency Order No. 20-03 (March 25, 2020) – The Insurance Commissioner’s order requires all regulated entities that transact P&C business – beginning on the date of issuance through May 9, 2020 – to provide grace periods for nonpayment of premium and to waive otherwise applicable charges and fees associated with nonpayment of premium (including late fees and reinstatement fees). During this 45-day period, no P&C insurer shall cancel a policy issued for nonpayment of premium, unless specifically directed to do so by the insured.</p>
West Virginia	<p>Emergency Order 20-EO-02 (March 18, 2020) – Among other provisions, the order states that insurers and other regulated entities must not issue a cancellation notice or nonrenewal notice pertaining to any insurance policy, plan, or contract if the reason for cancellation or nonrenewal is a result of circumstances stemming from the COVID-19 pandemic and the corresponding State of Emergency, Executive Order 2-20, any subsequent executive orders or other governmental actions. The order further states that insurers and other regulated entities should be flexible with respect to allowing alternative payment arrangements for the satisfaction of premiums that are due or that which may become delinquent as a result of the emergency, but it makes clear that this does not exempt or excuse an insured from the obligation to pay the premiums otherwise due.</p>
Wisconsin	<p>Bulletin (March 20, 2020) – The Office of the Commissioner of Insurance encourages insurers to offer flexibility to insureds</p>



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	<p>incurring economic hardship, and the bulletin notes that such flexibility can include offering non-cancellation periods, deferred premium payments, premium holidays and acceleration or waiver of underwriting requirements. The bulletin confirms that accommodations made during the public emergency will not be treated as violation of insurance laws (such as unfair inducement laws), but such accommodations should not be applied in an unfairly discriminatory manner</p>
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