



COMMONWEALTH OF MASSACHUSETTS
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BULLETIN 2020-05

To: All Insurance Carriers Issuing Insured Coverage in Massachusetts and Self-Insurance Groups Covering Employers in Massachusetts

From: Gary D. Anderson, Commissioner of Insurance

Date: March 23, 2020

Re: Flexibility in the Issuance and Administration of Insurance during COVID-19 (Coronavirus) Public Health Crisis

The Division of Insurance (“Division”) issues this Bulletin 2020-05 to provide information to all Insurance Carriers (“Carriers”), regardless of the line of coverage, and self-insurance groups about the Division’s expectations regarding steps they are to take to help address concerns about maintaining coverage and preserving the Massachusetts insurance market during the COVID-19 (also known as Coronavirus) public health crisis.

The Coronavirus Risk

As stated in Bulletins 2020-02 and 2020-04, the public health and societal impact resulting from the spread of COVID-19 could dramatically impact the Commonwealth. It will be essential that government and business leaders take all appropriate steps to safeguard the general public and well-being of the Commonwealth’s citizens. Insurance coverage plays a critical role in the stability of the Commonwealth’s economy and the protection of its residents. COVID-19 may impose unique risks to our insurance market that Massachusetts has not faced for at least a generation. Therefore, the Division is notifying Massachusetts Carriers that it expects them to take all necessary steps to preserve individual and employer access to insurance coverage during this emergency period.

With restrictions on certain types of activities, the Division is aware of growing stress for policyholders as businesses reduce or suspend operations and how this may impact the payment of all expenses, including premium payments. During this period, the Division believes that Carriers

should be looking for all ways to be flexible in collecting premiums and find ways to address what the Division hopes will be a short-term disruption in the business environment.

Carriers' Flexibility in Issuance and Administration

All Carriers (whether issuing property and casualty, life and annuity, or health products) are advised to provide employers and individuals with as much flexibility as is reasonably possible during the period of the COVID-19 public health crisis to maintain their existing coverage, despite policyholders' growing concerns about being able to send their premiums in on time.

- Carriers should explore ways to streamline or delay the submission of administrative paperwork that may jeopardize the maintenance or issuance of coverage.
- Carriers should explain grace periods that usually allow distressed policyholders experiencing significant financial hardship to delay payments without coverage being terminated.
- On a case-by-case basis, Carriers should also work with employers or individuals experiencing financial hardship to find the best ways to address concerns with the timing of premium payments in order to delay any cancellation of coverage for non-payment and collection activity.
- Carriers should explore all possible ways to relax due dates for premiums payments; to 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 insurance policies do not lapse; and consider cancellation or non-renewal of policies only after exhausting other efforts to work with policyholders to continue coverage.

In addition, for health insurance Carriers, the Division asks that Carriers consider the following steps to allow for continuation of coverage:

- Health insurance Carriers should be prepared to explain grace periods that may be available and whether the Carrier may be willing to allow employers to continue to pay for employees' health coverage during periods when the employees are on furlough or laid-off.
- Health insurance Carriers should have personnel available to explain programs allowing for laid-off employees to purchase COBRA or other coverage targeted to the recently unemployed.
- Health insurance Carriers are also encouraged to work with employers to allow flexibility in submitting enrollment, renewal or other information necessary to begin or renew health coverage.
- As noted above, health insurance Carriers are advised to work with employers experiencing financial hardship on a case-by-case basis to allow for reasonable flexibility in the timing of payment of premiums.

Exploring all appropriate flexibility in arrangements and timing of payments will enable Carriers and employers to address short-term difficulties that will help protect both policyholders and the solvency of the Massachusetts insurance market.

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Health Insurance Carriers Acting As Administrators

Due to the public health crisis imposed by COVID-19, when health insurance Carriers are acting as administrators for employment-sponsored non-insured health benefit plans, the Division expects Carriers to encourage plan sponsors to take steps that are consistent with the provisions of Bulletin 2020-05. Plan sponsors should be made aware of the public health risks to all Massachusetts residents, and health insurance Carriers should do all they can to encourage plan sponsors to take steps to remove barriers to employers' and individuals' access to and continuity of health coverage.

Self-Insurance Groups

The Division expects self-insurance groups to apply the same premium flexibility for their groups as identified in Bulletin 2020-05.

If you have any questions about this Bulletin, please contact Kevin Beagan, Deputy Commissioner for the Health Care Access Bureau, at (617) 521-7323.