



## DEPARTMENT OF COMMERCE AND INSURANCE

P.O. Box 690, Jefferson City, Mo. 65102-0690

### INSURANCE BULLETIN 20-05

#### ASSISTANCE TO POLICYHOLDERS IMPACTED BY COVID-19

**Issued:** March 21, 2020

*The following Bulletin is issued by the Missouri Department of Commerce and Insurance ("Department") to inform and educate the reader on the specified issue. It does not have the force and effect of law, is not an evaluation of any specific facts or circumstances, and is not binding on the Department. See section 374.015, RSMo.*

**To:** All insurers conducting the business of insurance in the State of Missouri

**From:** Chlora Lindley-Myers, Director

**Re:** Assistance to policyholders impacted by COVID-19

On March 13, 2020, Governor Michael L. Parson issued Executive Order 20-02, declaring a State of Emergency in Missouri due to the risk posed to the public and to health and safety by COVID-19. As a result of the State of Emergency and public health efforts to minimize the spread of COVID-19, disruptions to normal operations have resulted in consumers being unable to timely act or respond to their insurance needs and make timely premium payments on their insurance policies.

On March 18, 2020, the Governor issued Executive Order 20-04, granting the Director of the Missouri Department of Commerce and Insurance (Department) the authority to temporarily waive or suspend the operation of statutes and regulations under her purview in order to best serve the interests of the public health, safety and welfare to effectuate Executive Order 20-04. The Department is issuing this Bulletin to assist individuals and entities regulated by the Department.

This bulletin applies to all insurers including, but not limited to health maintenance organizations (HMOs), health service corporations (HSCs), utilization review agents, health and accident insurers, long-term care carriers, third party administrators (TPAs), discount medical plan organizations, property and casualty insurers, surplus lines insurers, county, town, and farmers'

mutual property insurance companies, and any and all other entities doing business in Missouri or regulated by the Department, regarding any and all types of insurance, including, but not limited to life insurance, health and accident insurance, limited benefit insurance, individual and group disability insurance, Medicare Supplement insurance, property and casualty insurance, HMO policies, discount medical plans, excess loss insurance, stop loss insurance, long-term care insurance, homeowners insurance, personal property insurance, commercial liability insurance, general liability insurance, workers' compensation insurance, fire and extended coverage insurance, title insurance, marine and transportation insurance, credit life insurance, medical supplement insurance, credit property and casualty insurance, annuity insurance, professional and medical malpractice insurance, and any and all other insurance-related entities regulated by the Department.

The Director strongly encourages those entities listed above to voluntarily adhere to the practices listed below during the time period that this bulletin is in effect.

**1. Grace Period – All Entities Listed Above Except Health Carriers.** Coverage for residents of the State of Missouri 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 this bulletin is rescinded, whichever is later. Insurers are strongly encouraged not to cancel, nonrenew, or terminate coverage while this Bulletin is in effect. This grace period is a period of time during which consumers can take those actions necessary to keep their policies in force. The Department is not requiring insurers to waive any premiums or other consideration owed on any policy or contract during this period of time. 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.

Nothing in this bulletin should be construed as the Department requesting any insurer to refrain from terminating coverage on the basis of fraud on the part of an insured.

**2. Grace Period – Health Carriers.** The Director strongly encourages health carriers, as defined in section 376.1350, RSMo, to extend a grace period of at least 60 days for coverage in effect as of March 13, 2020, where premium or subscription charges are unpaid, in an effort to allow consumers to take actions necessary to keep their policies in force. As per section 376.434.1, carriers are strongly encouraged to accept liability for valid claims for covered losses incurred prior to the end of the grace period if appropriate dues or premiums are received by the carrier during the grace period. For carriers who agree to provide an extended grace period of 60 days to enrollees in all markets, the Director will grant a safe harbor from enforcement of the provisions of section 376.434.2. In implementing this request, health carriers are encouraged to exercise maximum flexibility in order to best meet the needs of their policyholders. Carriers seeking to take advantage of this safe harbor must notify the Department with details of how they will implement this change, including but not limited to, how they will handle claims processing and provider communications.

**3. Information sharing.** To ensure that public health officials and the public are adequately informed about what the insurance industry is doing in response to COVID-19, the Department is requiring that insurers provide information about the steps they are taking in response to this Bulletin, particularly, the issues addressed in the items outlined above and information about how

the insurer intends to continue to service the needs of the policyholders. Please send your information to Stewart Freilich at [Stewart.Freilich@dcf.mo.gov](mailto:Stewart.Freilich@dcf.mo.gov).

If you have questions or concerns about this bulletin, please contact Stewart Freilich.

**This bulletin is effective until May 15, 2020, unless extended by the Director.**