

FAQs Regarding Bulletin 20-05 – March 27, 2020

1. - (Q) Is compliance with Bulletin 20-05 voluntary or mandatory?

(A) – The provisions in the Bulletin for grace periods (Items 1 & 2) are voluntary, but the Director strongly encourages insurers to comply with these provisions. The Department views favorably all efforts made by insurers to comply with this Bulletin as such compliance is critical to minimizing disruptions in the market and to protect insurance consumers during this time of emergency. The reporting provisions in Item 3 of the Bulletin are mandatory as they constitute an inquiry, information request and/or data call being made by the Department

2 – (Q) If an insurer sent a cancellation or non-renewal notice to an insured prior to March 13th in accordance with sections 375.003, 375.004, 379.118 or other applicable state law and such cancellation or non-renewal notice was to become effective on or after March 13th, does the bulletin prohibit the cancellation or non-renewal of any such policy?

(A) Since the action to cancel or non-renew such policy was mailed or delivered with proper notice prior to March 13th, any such cancellation or non-renewal of the policy is not subject to the bulletin.

3 – (Q) Current law allows for cancellation or non-renewal of specific personal lines policies for several reasons unrelated to any issue associated with the COVID-19 pandemic. Many insurers rely on these current laws and act as necessary when a statutory reason, other than for non-payment of premium, arises with respect to a policy in effect on March 13th. Does the bulletin restrict insurer cancellation or non-renewal for reasons other than non-payment of premium?

(A) Nothing in this bulletin should be construed as requesting any insurer to refrain from cancelling or non-renewing coverage on the basis of fraud or material misrepresentation, because of physical changes in the property insured which increase the hazards originally insured or for other reasons prescribed in section 375.002 or other applicable state law, other than for non-payment of premium. In addition, nothing in this bulletin should be construed as requesting any automobile insurer to refrain from cancelling or non-renewing coverage because of the suspension or revocation of the named insured's driver's license or other reason prescribed in section 379.114 or other applicable state law, other than for non-payment of premium.

4 – (Q) Does the bulletin prohibit the cancellation or non-renewal of any policy in accordance with the aforementioned state laws with respect to new business initially written on or after March 13th?

(A) With respect to the issuance of a new policy, a decision not to continue such new policy during the first sixty days of the policy, as prescribed by section 375.002, does not constitute a cancellation and is not governed by this bulletin. However, once such a policy is no longer

subject to such statutorily prescribed period and is in full force, the provisions of the bulletin would then apply.

5 – (Q) If an insurance carrier has a policy for which an application was submitted but coverage was not bound and no policy is in effect, and that policy does not qualify under underwriting guidelines, can the insurance carrier communicate the declination immediately since it does not constitute a cancellation?

(A) Because the policy was never bound, the declination would not constitute a cancellation and as such would not fall within the scope of the bulletin. Prompt communication is in the consumer's best interest, as they will be in a better position to initiate a search for coverage elsewhere.

6–(Q) Does this bulletin prohibit an insurer from cancelling or non-renewing a policy upon the request of the policyholder?

(A) No, any actions requested by the policyholder are not governed by the bulletin. The bulletin is intended to assist policyholders impacted by COVID-19 with respect to potential actions taken by their insurer.

7 – (Q) Will the information submitted by insurers in response to Item 3 of the bulletin be treated as confidential communications to the Department and not be subject to public disclosure?

(A) The company-specific information requested under the bulletin constitutes an inquiry, information request and data call under section 374.071. This information is requested to ensure that public health officials and the public, in general, are adequately informed about what the insurance industry is doing in response to this crisis. The information received will be treated in accordance with the confidentiality provisions of section 374.071 and any information publicly disseminated by the department will reflect industry activity only and will not indicate anything identifying a specific insurer.

8– (Q) When is the information requested from insurers in response to Item 3 of the bulletin due?

(A) We would like the information by April 10, 2020. We understand that in this period of rapid change that after the initial submission insurers may need to supplement or revise their answers. The requested information submitted electronically by e-mail or as an e-mail attachment to stewart.freilich@insurance.mo.gov. There is no specific template. If any insurer needs an extension of time to submit the information, they can reach out to Stewart Freilich at the email address provided.

9–(Q) In accordance with the bulletin’s purpose of providing assistance to policyholders impacted by COVID-19, how can policyholders contact their Company for assistance?

(A) Insurers are asked to provide clear guidance to policyholders outlining how to contact the company, so that an insured can easily and promptly inform the insurer of his or her situation and difficulties complying with payment schedules. Insurers are strongly encouraged to make every effort to work with their insureds to alleviate their difficulties with the goal of maintaining continuous coverage through the bulletin’s effective period and easing the burdens for policyholders. As such, insurers are strongly encouraged to consider relaxing due dates for premium payments, extending grace periods, allowing for installment payments without additional fees, waiving late fees and penalties and any other methods to assist the policyholder that the insurer deems feasible.