

COVID-19 FAQ Updates

March 18, 2020

Q. Is the Pennsylvania General Assembly considering a change in the law that would mandate that all business interruption insurance policies cover losses due to COVID19?

Governments at all levels are looking for solutions to mitigate both the spread of the COVID-19 virus and its economic impacts. The Pennsylvania General Assembly is no different. PAMIC was involved in a discussion over the last 2-days providing feedback on the impact such a law would have on the insurance marketplace. Today, the General Assembly, Pennsylvania Insurance Department, and the insurance industry are united in our position that this solution is untenable for many reasons. As such, there will be no action by the General Assembly to move forward with and changes to our law mandating this coverage. Bolstering this outcome was the recent defeat in the New Jersey legislature on a similar provision thanks to the hard work of many people including the NAMIC State Government Affairs staff (Erin Collins, Chris Stark, and many others).

Q. What guidance has the Department of Insurance provided pertaining to Annual Meetings of policyholders as required by company bylaws and laws?

The Pennsylvania Insurance Department provided PAMIC the following guidance for your consideration:

“The Pennsylvania Insurance Department understands that many insurers are required to hold their annual meetings in the near future and bylaws may dictate how those meetings and votes are to occur. As, the Wolf Administration has strongly urged non-essential businesses to close during mitigation periods to protect employees, customers, and suppliers, we encourage carriers and carrier boards to use their discretion in determining how to most effectively conduct annual meetings. PID does not intend to take disciplinary action against a company that employs social distancing strategies to host its annual meeting during a future financial examination. We welcome carriers to reach out to us with any questions.”

Q. What are “social distancing strategies” that insurers can use to mitigate the spread of the COVID-19 virus?

The Centers for Disease Control prepared materials to help decision-makers in government, industry, health care, and schools enhance efforts to minimize the spread of the COVID-19 virus. One strategy to consider for Annual meetings includes providing proper hygiene and social distancing seating (6-feet apart) or to use electronic means such as webinars to prevent large gatherings. Here is the CDC guidance for your consideration: [CDC Guidance](#)