



Insured Retirement Institute

MEMORANDUM

TO: Jason Berkowitz
FROM: Liz Pujolas
DATE: March 20, 2020
SUBJECT: NAIC COVID-19 Special Session 3.20.20

As part of their annual Spring National Meeting, the National Association of Insurance Commissioners hosted a special session webinar on COVID-19. There were over the 2500 participants. I have captured the information below as an overview of the presentations and conversation throughout the webinar and am attempting to get presentations where available.

It is my understanding that NAIC will be posting a Q/A document on their website as many topics did not have time for comprehensive Q/A. Additionally, a regulators-only meeting is scheduled to discuss the presentation information. Please let me know if you have questions or would like further information.

Virus Progression and Pathology – *Dr. Jay Butler, Deputy Director for Infectious Disease, Centers for Disease Control and Prevention (CDC)*

- Overview of COVID-19 and progression of disease starting from first being identified in Wuhan, China.
- It is a respiratory disease with person to person droplet transmission.
- First US case and most initial cases resulted from travel.
- Biggest areas for disease in United States Northwest, NYC, GA, FL, LA, but truly worldwide pandemic.
- Coronavirus has been around however not usually in humans. This version (19) is related to SARS and impacting humans, especially those with underlying conditions and elderly. Most mild in children.
- Currently no FDA approved mechanisms for treatment or vaccination.
- Virus surface survival is several hours. Hand washing for 20 sec critical to containing spread and not touching the face.
- Symptoms still being learned but most common are fever, cough and shortness of breath. But not all always present.

- Some individuals may be asymptomatic yet infected. Most onsets identified within days 7-12 for those exposed.

Q/A

1. Colorado: Inquiry about Italy situation and lessons to be learned.
2. COVID 19 recovery. Is there reinfection? There is immune response with other respiratory infections, but not confirmation on this virus.
3. Employer consideration for employee return post virus. Initially required 2 neg tests now more common 1 week from onset of symptoms and 3 days from lack of fever. Health care workers should wear surgical mask for 14 days to limit disease shedding.
4. Kentucky: What is checklist for medical testing? Recommend testing on symptomatic individuals or areas where outbreak may increase (long term care facilities). Significant provider discretion.

Presentation Pandemic Modeling– Opening & Closing comments Matt Nielsen, Senior Director, Governmental & Regulatory Affairs, Risk Management Solutions (RMS)

Brice Jabo, Medical Epidemiologist, RMS

- Reviewed RMS pandemic model utilizing past influenza experiences, mortality and morbidity impact and, when available, pharmaceutical intervention.
- One COVID 19 infected individual has a multiplier of 1.5 to 3.5 potential infections.

Maria Lomelo, Director of Product Management, RMS

- Utilization of 1918 Pandemic modeling
- Life catastrophe risk model leads to financial stress test. Lloyd considering revisions.

Discussion on Impact on Health Insurance Market – Randy Pate, CMS Deputy Administrator and Director, Center for Consumer Information and Insurance Oversight (CCIIO)

- CMS overview of their agency response attempting to serve 140million elderly, low-income, children & pregnant women
- CCIIO is responsible for health care facility oversight and patient safety.
- Reviewing coding and new needs for virus testing and coverage.
- 3/13 National Emergency declaration allowed waivers for hospital bed, rural hospital relief and cross state care, health professional licensing.
- State Medicaid waiver approval for FL and others under consideration.
- Telehealth coverage for Medicare as of 3/6.
- Private health insurer response CMS 3/5 fact sheet and 3/16 FAQ, diagnostic guidance this week for high deductible plans and patient copay relief.

Troy Oechsner, Partner, Manatt Health

- Health insurance marketplace changes reviewed as noted by others throughout presentation. Copay relief, refill flexibility, telemedicine coverage etc.

Q/A

Need small group v individual marketplace relief. Under consideration but no direct answer.

Presentation and Discussion on Financial Impact/Policy Coverage Issues– Commissioner Scott White (VA), NAIC Financial Condition (E) Committee Chair

- Hoping for flattening of the curve. However, noted Spanish flu went on for two years. Anticipating financial stress.
- Predicting larger well capitalized companies survive. Weaker, regardless of sector, may not. Claim perspective not asset value. Do not anticipate asset liquidation.
- Concern for interest rate reductions and negative impact on industry earnings. Forcing more complex investments. Closely looking at life insurer partners.

Sean Kevelighan, President & CEO, Insurance Information Institute (III)

- Property industry enterprise risk management and strong underwriting for past 60 years.
- Preparation for financial support of first responder as they are on front lines and most at risk.
- Industry has a \$800 billion surplus.
- State guaranty funds.

Michel Leonard, Vice President and Senior Economist, III

- Strong underwriting & profits within P/C industry
- Industry has been adjusting exposure since 2017-18, 79% non-stock holdings.
- GDP growth 1.5% US 2.9% global – down from earlier estimations
- Highest risk impact workers compensation especially for first responders, health care workers, potentially retail and delivery, yet at home employees create risk too.
- Moderate risk impact on liability and D&O, Pharma, entertainment.
- Lowest risk on auto and property.
- Specialty lines now under review – travel, cyber, event cancellations, business & trade interruptions

Q/A – *business operation* pay outs. Terrorism related approach but limited geography. The pandemic tough to underwrite don't want significant regulatory changes as more disasters to come. Must maintain some precedent.

Panel Discussion: Insurer Readiness & Consumer Issues

Susan K. Neely, President & Chief Executive Officer, American Council of Life Insurers (ACLI)

- Expressed appreciation for regulatory efforts historically and in today's marketplace.
- Industry is ready to meet expectations and financially sound.
- Companies taking action for uninterrupted service.
- Peace of mind for consumers and supporting community needs.
- Shelter in place orders increasing. Need commissioner to identify essential services. All govts are urged to take action (CA & NY already).
- Regulatory accommodations for consumer innovations. Licensing requirements, filing deadlines need flexibility.
- Many states making data requests of varying readiness with tight turnarounds. Request NAIC lead on uniformity.

Matt Eyles, President & Chief Executive Officer, America's Health Insurance Plans (AHIP)

- 3/5 board action supported eliminating barriers for care.
- Now looking at support for institutions by way of supplies.

- State actions include eliminating cost sharing, faster refills, hotline development, transportation for medical appt, PBM partnering for shortage in pharmacy supply change.
- Serving as industry clearing house for the 140 members. Sharing information regularly with NAIC. Created best state practices document – to be shared with webinar participants.
- Recommendations on communications and ask states to be flexible but align as possible. Working 24/7 to protect consumers and provide needed care.
- State reporting limited to clear regulatory purposes and virus related responses. Other reporting could be deprioritized due to company demands and communications with customers.
- Ask states to eliminate barriers to telehealth opportunities.
- Appreciate state action on balance billing and price gouging.

Dr. David Sampson, President & Chief Executive Officer, American Property Casualty Insurance Association (APCIA)

- NAIC support for uniform data reporting.
- Forbearance on premium due dates forthcoming. Account receivable classification relief requested.
- Sensitivity toward mail delivery and support electronic opportunities.
- Please limit mandated consumer communications – ask for consistency if needed.
- Consideration on time frame for claim administration and audits. Personnel time spent elsewhere.
- No retroactive loss coverage. Will have dramatic impact on financial condition of industry. Solvent for current policy subscribers, cannot afford otherwise.

Sarah Lueck, NAIC Consumer Representative and Senior Policy Analyst, Center on Budget and Policy Priorities

- Maximize health coverage opportunity. Medicaid enrollment and ACA exchanges especially given potential unemployment.
- Ensure coverage of benefits and protection from surprise medical bills. Leverage federal action.
- Protect consumers from scams.
- Suggests auto insur premium offset and credit scoring moratoriums.

States' Health Insurance Market Response—Commissioner Jessica K. Altman (PA), NAIC Health Insurance and Managed Care (B) Committee Chair

- Suggest public Q/A document creation.
- Special enrollment periods.
- North Dakota response all hands-on deck approach. Short term limited duration plans rolled into COVID cost sharing relief. Closed loopholes on travel insurance allowing consumers to use if needed. Coordinated and cooperative state and industry response.
- Washington state has created a special enrollment period. Other states have as well.
- Maine emergency reg upon gov emergency declaration. Order issued for coverage of telehealth, credentialing. Following MA & NH.
- Encourage states to speak with hospital assoc regarding need to transfer patients to create space.

Closing Remarks—Director Ray Farmer (SC)