



# AAIS Bulletin

Member Focused Advisory Solutions

May 8, 2020

Bulletin:	State:	Line(s) of Insurance:
20-0166	Countrywide	All Lines

## COVID-19 Sample Policyholder Notices Available

Reference Bulletin: [20-0065](#)

AAIS continues to monitor regulatory developments and produce advisory resources related to the Coronavirus/COVID-19 pandemic. The attached sample policyholder notices are intended to assist carriers in complying with emergency regulator mandates, requests, and guidance.

### BACKGROUND

Numerous insurance departments have issued emergency rules, bulletins, and notices in response to the Coronavirus/COVID-19 pandemic. Many pandemic-related regulatory materials concern methods of providing temporary relief for policyholders from policy conditions and procedures. Specifically, several states have recommended or required that carriers temporarily refrain from cancelling policies due to non-payment of premium or the submission of pandemic-related claims. Some have also highlighted the importance of considerate claim handling and temporary forgiveness for an insured's inability to meet policy timeframes and deadlines regarding claims materials.

For examples of regulator materials concerning cancellation suspensions and the relaxation of claim reporting timelines, refer to:

- [AL Bulletin 2020-05 -- Cancellation or Non-renewal Recommendation due to COVID-19 Pandemic -- 03/30/2020](#)
- [AL Bulletin No. 2020-09 -- COVID-19 and Contractual Deadlines within Property & Casualty Insurance Policies -- 04/29/2020](#)
- [CA Notice of 60-Day Grace Period for Insurance Premium Payments Due to the Disruption Caused by the Novel Coronavirus \(COVID-19\) Outbreak -- 03/18/2020](#)
- [CA Notice Extension of Policyholder Deadlines that Impact Claims or Coverage Due to the Current State of Emergency Caused by the Coronavirus \(COVID-19\) Outbreak -- 04/03/2020](#)
- [FL Informational Memorandum OIR-20-04M: Continued Guidance for Response to COVID-19 -- 03/25/2020](#)
- [IL Company Bulletin #2020-09 -- Suspension of Cancellation, Non-renewal, and Premium Payment for Consumer Automobile and Home Insurance Policies and Commercial P&C Insurance Policies other than Fidelity/Surety and Ocean Marine Policies Issued in Illinois -- 04/03/20](#)
- [NY Insurance Circular Letter No. 7 \(2020\) -- Guidance to Department of Financial Services \("DFS"\) Regulated Insurance Entities Regarding Support for Consumers and Businesses Impacted by Novel Coronavirus \(COVID-19\) -- 03/19/2020](#)
- [OR Division of Financial Emergency Regulation Order -- 03/25/2020](#)
- [TX Commissioner's Bulletin # B-0007-20 COVID-19: Claim-handling deadlines and premium payments -- 03/23/2020](#)

## AAIS ACTION

The AAIS COVID-19 Task Force is charged with researching and developing forms, endorsements, and other resources that are: (1) targeted to Covid-19 coverage issues; (2) responsive to regulator directives, suggestions, and requests; (3) reflective of policyholder needs and concerns; and (4) useful to carriers. In response to the numerous regulator rules, bulletins, and notices concerning policyholder relief from procedural policy terms and conditions, AAIS has developed the attached sample policyholder notices addressing: (1) suspension of cancellation due to nonpayment of premium; (2) suspension of cancellation due to the submission of pandemic-related claims; and (3) good faith extensions of claim communication requirements and conditions.

## COMPLIANCE AND SAMPLE MATERIALS

AAIS consulted with multiple insurance departments in the development of the attached sample policyholder notices. However, as is customary with advisory sample materials, the attached notices have not been filed with or approved by any state or regulatory authority. It is the responsibility of each company to review the content of the attached notices and applicable jurisdictional requirements to ensure regulatory compliance.

Revisions may be warranted before issuance. At a minimum, the following components of the attached notices should be considered or amended before use:

- "For as long as required, requested, or recommended" -- This language was added in response to regulator feedback regarding the disparity among states as to whether and to what extent the company action is required, requested, or recommended. Depending on the state where the policy was issued, this language may be amended to more closely align with applicable regulator directions.
- "Department or division of insurance in which your policy was issued" -- This language was added for wider applications, and may be amended to align with the title of the regulatory authority of the state in which the policy was issued.
- "call [XXX-XXX-XXXX]" -- This section is intended for the company to insert pertinent contact information, such as the company's phone number.

Additional revisions may be appropriate based on regulatory positions and future developments. Please review the sample materials and applicable regulatory positions carefully before use.

## COMPANY ACTION

The attached sample policyholder notices are available for immediate use once proper company filing action, if any, has been taken. Microsoft Word versions of the attached notices will be posted to the AAIS [COVID-19 Pandemic Resource Center](#).

Further, permission is hereby granted for the general use and distribution of the attached materials to non-AAIS members. However, if any attached notice, or any part thereof, is used to develop proprietary materials, credit is to be attributed to AAIS as follows:

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## ATTACHMENTS

- CL 1061 05 20 Sample Policyholder Notice -- No Cancellation for Nonpayment of Premium During COVID-19 Health Emergency
- CL 1062 05 20 Sample Policyholder Notice -- No Cancellation for Pandemic-Related Claims During COVID-19 Health Emergency
- CL 1063 05 20 Sample Policyholder Notice -- Claims Communications and Materials During COVID-19 Health Emergency

## ADDITIONAL RESOURCES

Pandemic guidance, coverage issues, and questions, are available at the AAIS [COVID-19 Pandemic Resource Center](#). For more discussion surrounding pandemic coverage issues and responsive AAIS product development, join us for the **2020 Main Event Virtual Experience, May 11 - 14**. For information and to register, visit the [Main Event Virtual Experience webpage](#).

## DIRECT QUESTIONS TO:

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