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FLORIDA'S BUSINESS LAW FIRM

THE FLORIDA OIR ENCOURAGES INSURANCE CARRIERS TO WORK WITH POLICYHOLDERS DURING COVID-19 PANDEMIC

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The Florida Office of Insurance Regulation ("OIR") has issued additional guidelines for insurance carriers and other regulated entities during this time of uncertainty. OIR notes that actions taken in accordance with these guidelines, and implemented in a non-discriminatory manner, will not be considered unfair trade practices or violations of underwriting guidelines.

Recognizing the economic difficulties being faced by many policyholders, OIR has encouraged insurance carriers to be flexible with premium payments in order to avoid a lapse in coverage. This flexibility can include relaxing due dates, extending grace or reinstatement periods, waiving late fees and penalties, and allowing payment plans. Carriers should be proactive in notifying consumers of the avenues and procedures by which consumers and policy holders can communicate with carriers to request and obtain flexibility on premium payments. Importantly, insurance carriers have been encouraged to only consider cancellation of policies if all possible efforts to work with the policy have been exhausted.

In light of efforts to limit large gatherings and the resulting increase in delivery of goods and services, OIR has encouraged insurance carriers to consider allowing coverage for use of personal automobiles for delivery of goods and services, where these actions might otherwise be considered excluded commercial use. Further, OIR strongly encourages insurance carriers, policy holders, and other entities to consider virtual options for underwriting inspections and adjusting of claims, so as to minimize in-person contacts.

Lastly, OIR has acknowledged that many insurance carriers (and OIR itself) have made and continue to make efforts to transition employees to "Work from Home" or telework arrangements. To assist in this transition, OIR encourages that carriers accept electronic communications from consumers or policy holders in lieu of handwritten statements. OIR has requested that entities use email to coordinate telephone conferences in advance, as employees may not be available at their normal phone number. OIR has also granted a 30-day extension for annual statements to be filed with OIR by health maintenance organizations, insurance administrators, continuing care providers, and multiple-employer welfare arrangements. OIR will also be accepting electronic signatures and notarizations for documents required to be filed with OIR through May 1, 2020.

OIR's memorandum signals the recognition that carriers should be working with policyholders to minimize policy cancellations and claim adjustment disruptions, and further set forth recommendations and procedures for carriers to conduct necessary ongoing business. We anticipate that OIR will continue to provide guidance in the coming days and weeks as this situation evolves.

Should you have any questions or concerns about your policy, your claim, or your insurance carrier's obligations in the midst of the response to COVID-19, please do not hesitate to contact Michael J. Higer of Berger Singerman's Insurance Team.

The COVID-19 pandemic is creating rapidly-changing issues for businesses, and government aid processes and measures designed to assist businesses may also change materially from when this post is issued. We therefore encourage you to monitor our website, review our future posts and generally remain alert for additional updates or modifications to laws and regulations.

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