

## Insurance Regulatory Actions Taken in Response to COVID-19 *(as of May 4, 2020)*

Jurisdiction	Actions taken by insurance standard setters and supervisors
IAIS	<p>On March 13, the IAIS issued a Statement regarding the COVID-19 outbreak: At the IAIS Executive Committee (ExCo) meeting on 26 February, members discussed the possible implications of COVID-19 for the global insurance sector and shared views on appropriate supervisory responses. Members strongly supported the role of the IAIS in providing a platform for insurance supervisors to share their experiences in this regard. Accordingly, the IAIS will:</p> <ul style="list-style-type: none"> <li>• Launch, in the coming days, a survey of Members on the observed impact of COVID-19 in insurance sectors in their respective jurisdictions and to understand the different supervisory measures that have been put in place or are under consideration;</li> <li>• Facilitate ongoing information sharing and cooperation among supervisors in light of the evolving situation; and</li> <li>• Hold an extraordinary ExCo conference call at the end of March to discuss the survey results, as well as the impact of COVID-19 on the IAIS' work plan for 2020.</li> </ul> <p>The IAIS has also announced that it is:</p> <ul style="list-style-type: none"> <li>• Cancelling all in-person Working Group meetings through end-April and replacing them with conference calls;</li> <li>• Cancelling all non-essential international business travel;</li> <li>• Increasing remote working; and</li> <li>• Delaying the launch of registration for the June 2020 Committee meetings and Global Seminar scheduled for Seattle, USA, pending further consultation with the Host and ExCo members (the meetings and Seminar were subsequently cancelled).</li> </ul> <p>On March 27, the IAIS ExCo issued a statement recognizing the challenges the insurance sector is facing on both the asset and liability sides of the business. As a response, the IAIS will take the following steps:</p> <ul style="list-style-type: none"> <li>• The IAIS will utilise the framework it has developed in recent years for forward-looking risk assessments to undertake a targeted assessment of the impact of COVID-19 on the global insurance sector;</li> <li>• The IAIS, in consultation with the Financial Stability Board (FSB), will review the 2020 timelines for the implementation of the Holistic Framework for the mitigation of systemic risk in the global insurance sector;</li> <li>• The IAIS will review and adjust the timelines for the data collection for the Insurance Capital Standard (ICS) confidential reporting in 2020, as well as the Aggregation Method (AM) data collection being supported by the IAIS.</li> <li>• The IAIS will postpone development of supporting material (Issues Papers and Application Papers providing guidance on supervisory practices), with public consultations generally deferred by at least six months.</li> <li>• All in-person Working Group meetings through to September will be replaced with conference calls, as appropriate; and</li> </ul>

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	<ul style="list-style-type: none"> <li>The June 2020 Committee meetings and Global Seminar scheduled for Seattle, USA are cancelled. The in-person Committee meetings will be replaced with conference calls, as appropriate. The IAIS is currently exploring other virtual means for engaging with stakeholders in the absence of the Global Seminar.</li> </ul>
US (NAIC)	<ul style="list-style-type: none"> <li>On March 2, the NAIC launched the COVID-19 <a href="#">resource center</a> to facilitate public information sharing.</li> <li>On March 25, the NAIC issued a <a href="#">Statement</a> on Congressional Action Relating to COVID-19, indicating strong support for individual consumers including taking action to allow health insurance consumers to access COVID-19 testing without copay, and working to extend coverage for consumers wherever possible. However, the NAIC expressed concern over further congressional proposals that ask insurers to “retroactively pay unfunded COVID-19 business interruption claims that insurance policies do not currently cover”. Going forward, the NAIC is committed to working closely with the U.S. Congress to seek practical solutions for the current situation.</li> <li>The NAIC suspended the Spring National Meeting in Phoenix and canceled the International Insurance Forum in May.</li> <li>The NAIC will be coordinating a data collection exercise related to P&amp;C insurance in the COVID-19 outbreak. According to the NAIC, this data will assist state insurance regulators and others in understanding which insurers are writing applicable coverage, the size of the market, the extent of exclusions related to COVID-19, and claims and losses related to COVID-19.</li> </ul>
Alaska	Bill <a href="#">SB 241</a> relates to the powers of the director of insurance.
Louisiana	<p>Bill <a href="#">SB 426</a> requires health insurance coverage for COVID-19 diagnostic testing.</p> <p>Bill SB 477 Provides relative to business interruption insurance.</p> <p>The proposed bill “requires every policy of insurance in force in this state on March 11, 2020, and thereafter insuring against loss or damage to property that includes the loss of use and occupancy and business interruption to be construed to include coverage for business interruption due to the threat posed by COVID-19”</p> <p>Bill HB 858 Provides relative to business interruption claims due to the coronavirus disease 2019 pandemic</p> <p>The proposed bill “requires insurers that write policies which provide coverage for loss or damage to property that also provide for coverage of loss of use and occupancy and business interruption that are in force on the effective date of this Act, to construe such policies to include coverage of business interruptions due to the coronavirus disease 2019 pandemic.”</p>
Massachusetts	Bill SD 2888 The bill proposes that “Notwithstanding the provisions of any other law, rule or regulation to the contrary, every policy of insurance insuring against loss or damage to property, notwithstanding the terms of such policy (including any endorsement thereto or exclusions to coverage included therewith) which includes, as of the effective date of this act, the loss of use and occupancy and business interruption in force in the commonwealth, shall be construed to include among the covered perils under such policy coverage for business interruption directly or indirectly resulting from the global pandemic known as COVID-19, including all mutated forms of the COVID-19 virus.”

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Michigan	Bill <a href="#">HB 5633</a> requires insurance coverage and treatment for coronavirus.
New Jersey	<p>Bill <a href="#">AB 3844</a> concerns business interruption insurance during coronavirus disease 2019 state of emergency. This bill provides that “every policy of insurance insuring against loss or damage to property, which includes the loss of use and occupancy and business interruption, in force on the date of the Executive Order, shall be construed to include among the covered perils under that policy coverage for business interruption due to global virus transmission or pandemic” eligible business are those with fewer than 100 employees.</p> <p>Bill <a href="#">AB 3843</a> requires health insurance and Medicaid coverage for testing of coronavirus disease 2019 and for telemedicine and telehealth during coronavirus disease 2019 state of emergency. Enacted.</p> <p><a href="#">Bill SB 2234</a> Requires insurance coverage for testing and treatment of coronavirus disease 2019.</p>
New York	<p>Bill <a href="#">SB 8124</a> Requires airlines and travel insurance companies to provide refunds for travel cancelled due to coronavirus disease 2019 (COVID-19).</p> <p>Bill A10226 Requires certain perils be covered under business interruption insurance during the coronavirus disease 2019 (COVID-19) pandemic.</p>
Ohio	Bill HB589 To require insurers offering business interruption insurance to cover losses attributable to viruses and pandemics and to declare an emergency.
South Carolina	<a href="#">SB 1161</a> Requires all individual and group health insurance plans, health maintenance organizations and the state health plans to waive cost sharing requirements associated with testing for COVID-19 and to define applicable terms. Pending.
EIOPA	<p>On March 17, EIOPA published a <a href="#">statement</a> on actions to mitigate the impact of Coronavirus/COVID-19 on the EU insurance sector. Key messages cover business continuity issues including: (i) calling upon national competent authorities to be flexible regarding the timing of reporting and disclosure, (ii) reducing EIOPA regulatory consultation requests, and (iii) extending the deadline of the Holistic Impact Assessment for the 2020 Solvency II Review by two months to June 1, 2020.</p> <p>With respect to solvency and capital, insurers are advised to take measures to preserve their capital positions and to follow prudent distribution policies. EIOPA, together with national authorities and other standard setters, will propose to EU institutions any measures needed to mitigate market volatility to promote the stability of the sector and the protection of policyholders.</p> <p>On March 20, EIOPA issued Recommendations on supervisory flexibility regarding the deadline of supervisory reporting and public disclosure - Coronavirus/COVID-19:</p> <ul style="list-style-type: none"> <li>• Recommendation 1 - Annual reporting referring to year-end occurring on 31 December 2019 or year-end after that date but before 1 April 2020: 8-week delay in annual Quantitative Reporting Templates with certain exceptions for key templates that would be subject to a 2-week delay</li> </ul>

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	<ul style="list-style-type: none"> <li>• Recommendation 2 - Quarterly reporting referring to Q12020-end occurring on 31 March 2020 or after that date but before 30 June 2020: one to 4-week delay; allowance of a proportionate approach to less material aspects of the calculations</li> <li>• Recommendation 3 - Solvency and Financial Condition Report referring to year-end occurring on 31 December 2019 or year-end after that date but before 1 April 2020: 8-week delay for Solvency and Financial Condition Report with certain exceptions for key templates that would be subject to a 2-week delay</li> </ul> <p>On March 27, EIOPA announced that it will carry out extraordinary calculations on a weekly basis to monitor the evolution of the relevant risk-free interest rate term structures (RFR) and the symmetric adjustment to equity risk (EDA).</p> <p>On April 1, EIOPA provided further guidance that asks insurers and intermediaries to:</p> <ul style="list-style-type: none"> <li>• Provide clear and timely information to consumers on contractual rights;</li> <li>• Treat consumers fairly and be explicit in all communications;</li> <li>• Inform consumers about contingency measures taken;</li> <li>• Continue applying product oversight and governance requirements and, where necessary, carry out a product review; and</li> <li>• Consider the interests of consumers and exercise flexibility in how they are treated, where reasonable and practicable.</li> </ul> <p>In a statement released on April 2, EIOPA urge insurers temporarily suspend all discretionary dividend distributions and share buy backs, until further review when “financial and economic impact of the COVID-19 starts to become clearer”.</p> <p>“EIOPA urges that this prudent approach is applied by all (re)insurance groups at the consolidated level and also regarding significant intra-group dividend distributions or similar transactions, whenever these may materially influence the solvency or liquidity position of the group or of one of the undertakings involved. The materiality of this impact should be monitored jointly by the group and solo supervisors.”</p> <p>Also on April 2, EIOPA published an <a href="#">updated list</a> of measures including consultations and data requests impacted by the outbreak.</p> <p>On April 17, EIOPA issued a <a href="#">Statement</a> on principles to mitigate impact of COVID-19 on the occupational pensions sector. The statement outlined principles related to: business continuity and operational risk; liquidity position; funding situation and pro-cyclicality; protection of members and beneficiaries and communication.</p> <p>On April 30, EIOPA announced that it had decided to revise its timeline for advise on Solvency II review and delay the delivery of advice to the European Commission to the end of December 2020, in order to take into account the impact of COVID-19.</p>

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	<p>On May 4, the European Supervisory Authorities (EBA, EIOPA and ESMA – ESAs) published <a href="#">joint draft Regulatory Technical Standards (RTS)</a> to amend the Delegated Regulation on the risk mitigation techniques for non-centrally cleared OTC derivatives (bilateral margining), under the European Markets Infrastructure Regulation (EMIR), to incorporate a one-year deferral of the two implementation phases of the bilateral margining requirements.</p>
Canada	<p>On March 13, OSFI asked banks and insurers to suspend share buybacks and not to increase dividend payments to ensure drawdowns of capital are only used to support lending and to absorb loan loss provisions.</p> <p>On March 27, OSFI announced measures on regulatory flexibility to support COVID-19 related efforts. Key measures for insurers are:</p> <ul style="list-style-type: none"> <li>• Specifying that under regulatory capital requirements, payment deferrals will not cause insured mortgages to be treated as delinquent or in arrears, consistent with expectations for financial institutions.</li> <li>• Suspending semi-annual progress reporting on the implementation of new accounting standards, notably, IFRS 17.</li> </ul> <p>On April 30, OSFI updated its COVID-19 <a href="#">measures</a> Frequently Asked Questions for insurers.</p>
UK	<p>UK PRA on March 23 announced the acceptance of a delay in regulatory reporting in keeping with the EIOPA statement.</p> <p>On April 8, PRA released Statement on UK insurer’s decision to pause dividend payments. The statement asks insurers when deciding on dividend payments, “their boards should pay close attention to the need to protect policyholders and maintain safety and soundness. Decisions regarding capital or significant risk management issues need to be informed by a range of scenarios, including very severe ones.”</p> <p>On April 15, the FCA sent a letter to CEOs of insurers covering business interruption saying: “Based on our conversations with the industry to date, our estimate is that most policies have basic cover, do not cover pandemics and therefore would have no obligation to pay out in relation to the COVID-19 pandemic.”</p> <p>On May 1, the FCA <a href="#">announced</a> that it intends to obtain a court declaration to resolve contractual uncertainty in business interruption (BI) insurance cover.</p>
Germany	
Switzerland	<p>On April 7, FINMA announced that it is “willing to approve requests from insurance companies for a temporary smoothing of the yield curves for various currencies, in order to reduce daily fluctuations of the Swiss Solvency Test (SST). In addition, FINMA is granting the insurance companies more time to submit their supervisory reporting to FINMA.”</p>
Italy	<p>On March 23, IVASS granted insurance undertakings an extension for managing complaints and enquiries in response to the COVID-19 emergency.</p> <p>On March 30, IVASS released further guidance on regulatory flexibility to support insurers and market operators in keeping with the EIOPA statement.</p>

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	<p>In keeping with the EIOPA statement on April 2, IVASS issued a <a href="#">notice</a> to recommend undertakings use “extreme caution” in the distribution of dividends. On April 20, IVASS published <a href="#">a notice</a> regarding cybersecurity during COVID-19 outbreak.</p>
Australia	<p>On March 31, APRA announced that it had postponed the implementation of Reporting Standard HRS 605.0 Private Health Insurance Reforms Data Collection to allow private health insurers to focus their resources on handling the impacts of COVID-19.</p> <p>APRA published on April 7 a letter to all deposit-taking institutions and Insurers providing capital management guidance in response to COVID-19 outbreak, which noted that APRA will:</p> <ul style="list-style-type: none"> <li>• take a forward-looking view on the need to conserve capital and use capacity to support the economy;</li> <li>• use stress testing to inform these views, and give due consideration to plausible downside scenarios (periodically refreshed and updated as conditions evolve); and</li> <li>• initiate prudent capital management actions in response, on a pre-emptive basis, to ensure they maintain the confidence and capacity to continue to lend and support their customers.</li> </ul> <p>APRA also asks ADIs and insurers to limit discretionary capital distributions including dividends in the coming months.</p> <p>On April 8, APRA announced that it is temporarily suspending issuing new licenses for at least six months in response to the economic uncertainty created by COVID-19.</p>
France	<p>ACPR issued a <a href="#">press release</a> on April 3, in alignment with EIOPA April 2 Statement, to recommend insurers refrain from paying dividends.</p>
Spain	<p>DGSFP issued a press release on April 6, confirming alignment with the April 2 EIOPA Statement, asking insurers not to pay dividends during the COVID-19 outbreak.</p>
Norway	<p>In a March 16 letter to boards of directors of life insurers, non-life insurers and holding companies in insurance-dominated financial services groups, “Finanstilsynet expects the undertakings' boards of directors to review the distribution of profits for the 2019 financial year in light of the current crisis and economic uncertainty. Based on their review, Finanstilsynet also expects the boards of directors, if necessary, to submit new proposals to the undertaking's general meeting on dividend payments and other payouts.”</p>
Netherlands	

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China	<p>On March 26, CBIRC issued a Notice to help facilitate re-opening along the industry chains. The following measures apply to insurers:</p> <ul style="list-style-type: none"> <li>• Insurers and policy-oriented guarantee agencies are encouraged, within the limits of risk control, to provide credit enhancement services for small and medium-sized enterprises in the upstream and downstream of the industry chain.</li> <li>• Within the limits of risk control, life insurance companies can extend the term of policy pledge loans, increase loan quotas, help customers ease the short-term funding pressure, and support SMEs to resume work and production. In view of the logistics obstruction since the outbreak, insurance institutions may extend the insurance period of operating vehicles, ships, and aircraft that were suspended during the outbreak.</li> </ul>
Japan	<p>The JFSA issued on March 13, 2020 the following Measures that insurance companies should implement in response to COVID-19:</p> <p>The measures request that insurance companies provide appropriate support to insurance agents facing difficulties and to ensure smooth continuation of their insurance contracts, taking into account the situation of the policyholders in terms of protecting customers. The insurers should:</p> <ul style="list-style-type: none"> <li>• Implement appropriate measures, such as a grace period for payment of premiums and policy renewals;</li> <li>• Distribute information on the measures above as widely as possible, including to insurance policyholders; and</li> <li>• If it is decided to stop providing over-the-counter services and/or to take other emergency measures, promptly distribute information on such measures, including the names of branches/offices that will implement them, to all customers by means of posters and other forms displayed in branches/offices, as well as by posting the information on newspapers and websites.</li> </ul> <p>On March 30, JFSA released further guidance to respond to the state of emergency:</p> <ul style="list-style-type: none"> <li>• Maintenance of executives' management function (teleconference facilities, shift operation among executives, etc.)</li> <li>• Rulemaking or reexamining of delegation order in case of emergency with authorities. Specification of the core business and procedure making for downsizing the business.</li> <li>• Split operation for important business at headquarter and branches.</li> <li>• Continuity plan for important IT systems at specific IT related sites Encouragement of tele-work at home and commuting at less crowded time if necessary.</li> <li>• Flexible regular personnel change in order to ensure the quick reaction with inquiries from customers (NB: in Japan April is the season for regular personnel reshuffling)</li> <li>• Initial response when found the infected employees (incl. quick closure and reopen procedure of the operational site, cooperation with public health centers, public announcement, disinfection, etc.)</li> <li>• Reporting and information sharing with the JFSA.</li> </ul>

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Hong Kong	<p>On February 21, the HKIA issued temporary facilitative measures in response to COVID-19. These measures cover only Qualifying Deferred Annuity Policy and Voluntary Health Insurance Scheme products which are eligible for tax deduction in the 2019–20 assessment year. With immediate effect, insurers and intermediaries may dispense with the need to conduct a Financial Needs Analysis in the selling process of these products, provided that they have: (i) duly performed upfront disclosure of important information to their clients and (ii) applied an extended cooling-off period that lasts no less than 30 calendar days for the delivery of policy documents through the mail and for policy holders to seek professional advice if found necessary.</p> <p>Furthermore, insurers and intermediaries must continue to adhere strictly to the principle of fair treatment of customers. The measures will last until end of the current tax assessment year, which falls on 31 March 2020. On March 27, the HKIA extended these measures to additional protection type products, including term policies, and certain refundable or renewable policies that provide insurance protection.</p>
Singapore	<p>On March 31, The Monetary Authority of Singapore (MAS), together with the Association of Banks in Singapore (ABS), the Life Insurance Association (LIA), the General Insurance Association (GIA), and the Finance Houses Association of Singapore (FHAS), announced a package of measures to help ease the financial strain on individuals and SMEs caused by the COVID-19 pandemic. Measures concerning insurance products are:</p> <ul style="list-style-type: none"> <li>• Individuals with life and health insurance policies may apply to their insurer to defer premium payments for up to six months while maintaining insurance coverage during this period.</li> <li>• Individuals holding general insurance policies, such as for property and vehicles, may apply to their general insurance company for instalment payment plans while maintaining insurance protection.</li> <li>• Corporates, including SMEs, holding general insurance policies that protect their business and property risks may apply to their insurer for instalment payment plans.</li> </ul>