

Product Filing Guidance for Property & Casualty Insurers Introducing Premium Relief Initiatives During COVID-19 Emergency

On March 9, 2020, Ohio Governor Mike DeWine declared a state of emergency in Ohio to protect the well-being of Ohioans from the dangerous effects of COVID-19, and on March 22, 2020, the Ohio Department of Health Director signed a Public Health Order requiring Ohioans to stay at home or their place of residence unless they are engaged in essential work or activities.

As a result of these actions, as well as general guidance from health professionals to engage in social distancing to slow the spread of COVID-19, a number of Property & Casualty insurers have contacted the Ohio Department of Insurance (the Department) seeking to provide premium relief to their policyholders. In general, these insurers have stated that they have seen fewer claims from their policyholders, justifying a short-term reduction in premiums.

The Department is supportive of efforts by insurers to provide relief to Ohioans. Therefore, in order to expedite these efforts while ensuring the appropriateness of specific actions, we provide the following guidelines regarding these actions:

1. The Department does require filing of these relief initiatives in SERFF so that we are able to evaluate the appropriateness and fairness of changes to premiums for policyholders. It is our commitment to review these filings expeditiously, and to permit insurers to move quickly to provide relief for Ohio consumers.
2. We require actuarial justification for adjustments, recognizing that there is very little historical data that can be utilized. In lieu of historical data, insurers must articulate the assumptions being used to justify the proposed adjustments, including the amounts of the premium relief.
3. Insurers should:
 - a. explain whether the proposed adjustment is being applied uniformly to all policyholders and if not, justify any different treatment of policyholders;
 - b. explain the mechanism for providing adjustments (e.g., premium credit, direct payment to customers, etc.);
 - c. provide descriptions of any notifications that will be sent to consumers explaining the relief being provided; and
 - d. provide data about the number of Ohioans being provided relief and the expected aggregate amount of adjustment in Ohio (please note that this information does not have to be included in the filing and may be provided after the fact).

These relief filings are considered “file and use,” meaning that insurers may begin implementing them on the effective date provided in the filing. However, as noted above, the Department will be reviewing these filings so you are highly encouraged to factor that into your effective date and work with the Department to ensure an expedited review.

This communication is intended to give insurers timely and uniform guidance to facilitate the filings and to establish clear expectations for the Department’s review. This communication attempts to answer the most common questions the Department has received, and is neither intended to be an exhaustive list of regulatory requirements nor does it represent the only mechanism for providing relief to consumers. If you have questions that are not addressed in the communication or need further information, please feel free to contact Mark Hamlin at Mark.Hamlin@insurance.ohio.gov or (614) 728-1252.