

Property & Casualty insurers are providing coverage, paying covered claims, offering premium grace periods & serving policyholders as states, communities, businesses and families respond to COVID-19

Insurance is still essential

Since Gov. Jay Inslee issued his [“Stay Home, Stay Healthy” Order](#) on March 24, followed by Insurance Commissioner Mike Kreidler’s [Emergency Order to Property & Casualty insurance companies](#) and agents on March 25, here are some steps insurers have taken to serve policyholders, claimants and consumers in Washington. Hundreds of P&C insurers are authorized to write home, auto and business insurance in our state, and policies, procedures and programs offered vary from company to company. But in one way or another, insurers writing and servicing these policies are:

- ✓ **Not cancelling policies due to non-payment of premium.**
- ✓ **Extending additional time (“grace periods”) to pay premium on policies now in force.**
- ✓ **Waiving any fees related to late payments during the grace period.**
- ✓ **Increasing access to 24-hour claims service, including remote, telephone or smartphone-app claim filing.**
- ✓ **Considering (some companies, in some states) refunds and discounts for drivers who are logging less miles during shelter-in-place orders.**
- ✓ **Extending coverage from some insurers for the commercial use of personal vehicles to make restaurant, grocery, medical and other deliveries to consumers.**
- ✓ **Joining with business organizations in calling for federal solution, such as establishment of a COVID-19 Business Continuity & Recovery Fund to help businesses and employees across the country recover from closure.**

Insurance companies are also following all CDC and Washington State Department of Health protocols to keep employees and agents safe, and to prevent the spread of the COVID-19 coronavirus to consumers, vendors and the public. But even as more insurance industry professionals are now working from home, early responses from insurers indicate there has been no reduction in response times for claims or initiation of new policies.

We invite you to contact us if you have questions, concerns or constituent information requests.

Business interruption needs national response

Most business interruption policies do not cover virus pandemics like COVID-19. It is typically excluded (the language of individual policies determines coverage), and no insured business with the exclusion has paid premium to cover it. The nation’s insurance regulators explained this in a [recent message to Congress](#):



“Business interruption policies were generally not designed or priced to provide coverage against communicable diseases, such as COVID-19 and therefore include exclusions for that risk. Insurance works well and remains affordable when a relatively small number of claims are spread across a broader group, and therefore it is not typically well suited for a global pandemic where virtually every policyholder suffers significant losses at the same time for an extended period. While the U.S. insurance sector remains strong, if insurance companies are required to cover such claims, such an action would create substantial solvency risks for the sector, significantly undermine the ability of insurers to pay other types of claims, and potentially exacerbate the negative financial and economic impacts the country is currently experiencing.”

NAIC Statement on Congressional Action Relating to COVID-19

March 25,2020