On March 19th, the New York State Department of Financial Services (DFS) issued guidance to the chief executive officers of insurance companies regarding the COVID-19 virus. DFS called upon its regulated entities to “do their part to alleviate the adverse impact” on consumers and small businesses, by taking “reasonable and prudent actions....”

Among the recommendations were to:

- Offer Payment Accommodations
- Take steps to avoid cancelling insurance policies
- Take steps to avoid non-renewal of policies
- Prepare clear and concise descriptions of coverage
- Alert Consumers to the heightened risk of scams
- Provide flexibility when claims require documentation that is now difficult to obtain

DFS does not have the right to force insurance companies to follow these recommendations, but they did hold out a carrot: companies that take these steps will not be “subject to examiner criticism.” In other words, if insurance companies do what they recommend and thereby incur greater financial risks, they will not be subject to regulatory sanction. This gives carriers greater freedom to make the recommended accommodations.

**For Safety Group #531 Members**

For those Association members whose workers’ compensation insurance is in Safety Group #531, we have had extensive discussions with the State Insurance Fund (NYSIF) regarding the current crisis. They are committed to doing what is necessary to keep policies in force. If you are experiencing a drop in payroll or other financial hardships, please contact your Lovell underwriter.
**Claims**
Some have raised questions regarding whether a worker can make a claim if they contract the COVID-19 virus. That question will need to be decided by the Workers’ Compensation Board if and when they are presented with the specific facts and circumstances of a claim. It is impossible to make any blanket statements as to coverage. The NYSIF workers’ compensation policy promises to “pay promptly when due the benefits required of you by the New York State Workers’ Compensation Law.” Thus, if the New York State Workers’ Compensation Board finds that a worker has contracted the virus in and out of the course of employment, then your workers’ compensation policy should provide coverage.

The Workers’ Compensation Board continues to conduct virtual hearings. Employers scheduled to testify should contact our claims department or their insurer well in advance of the hearing to ensure that they will not have technical issues on the day of the hearing.

**Audits**
The New York State Compensation Insurance Rating Board suspended the requirement for insurance companies to perform onsite audits. NYSIF will still conduct audits, but only if policyholders can upload their information to their system. If you have a question regarding auditing, please contact your Lovell underwriter.