

Publications

Ohio Department of Insurance Issues Product Filing Guidance for Property and Casualty Insurers Introducing Premium Relief Initiatives During COVID-19 Emergency

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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 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 and casualty insurers contacted the Ohio Department of Insurance (the Department) seeking premium relief for their policyholders. These insurers stated that they have fewer claims from their policyholders which supports a short-term reduction in premiums.

The Department is supportive of the insurers' efforts to provide premium relief to Ohioans. It pledged to expeditiously review the appropriateness and fairness of proposed premium changes and issued the following guidelines on April 10, 2020:

1. The Department requires filing these relief initiatives in SERFF so that it can expeditiously review the these filings;
2. The Department requires actuarial justification for adjustments, but recognizes that there is very little historical data that can be utilized. Accordingly, in lieu of historical data, insurers must set forth the assumptions being used to justify the proposed adjustments, including the amounts of the premium relief;
3. In addition, insurers should (i) explain whether the proposed adjustment is being applied uniformly to all policyholders and if not, justify any different treatment of policyholders, (ii) explain the

mechanism for providing adjustments (e.g., premium credit, direct payment to policyholders, etc.), (iii) provide descriptions of any notifications that will be sent to policyholders explaining the relief, and (iv) provide data about the number of Ohioans being provided relief and the expected aggregate amount of adjustment in Ohio (this information does not have to be included in the filing and may be provided after the fact).

The Department will consider these filings as “file and use,” meaning that insurers may begin implementing them on the effective date provided in the filing. However, because the Department will be reviewing these filings, insurers are encouraged to factor that review into their anticipated effective date and work with the Department to ensure an expedited review.

The Department is NOT requiring insurers to provide premium refunds. The guidelines are provided to those insurers that desire adjust premiums, and are not the only mechanism for providing relief to policyholders. Insurers that have any questions regarding this premium relief should contact Mark Hamlin at the Department at Mark.Hamlin@insurance.ohio.gov or 614.728.1252.

If you have questions about premium relief, please contact Anthony Spina, Tom Szykowny, Gregg Zelasko or your regular Vorys attorney.

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Vorys COVID-19 Task Force

Vorys is continuing to monitor the COVID-19 outbreak and related guidance to insurers. In addition, Vorys attorneys and professionals are counseling our clients on a myriad of others issues related to the outbreak. We have established a comprehensive COVID-19 Task Force, which includes attorneys with deep experience in the niche disciplines that we have been and expect to continue receiving questions regarding coronavirus. Learn more and see the latest updates from the task force at vorys.com/coronavirus.