



# LEGAL UPDATE

## Some States Require Insurance Protections Because of COVID-19

As the COVID-19 situation continues, state insurance regulators are taking steps to protect insurance policyholders from the impact of the pandemic. States have begun requiring insurance carriers to provide certain protections with respect to premiums and coverage, to help business and individuals maintain their access to insurance.

State requirements will vary and may change quickly. The types of insurance affected will depend on each state's guidelines. Any future federal legislative action may also affect state requirements.

### State Insurance Protections

Changes to premium and coverage requirements will differ from state to state and may include the following types of provisions:

- **Grace periods for premium payments.** Insureds may be able to defer premium payments, interest free. The applicable grace period could be 60 days or longer.
- **Expanded health insurance eligibility.** State guidelines may require insurance companies to provide coverage to employees under group health plans, even if the employees would normally lose eligibility for coverage because of a reduction in hours of employment.
- **Special enrollment for individual health insurance.** States may require that employees who do lose coverage be given the opportunity for special enrollment in individual coverage, whether through an Exchange or not.

Some insurance carriers are independently implementing changes to their requirements related to the COVID-19 situation to provide flexibility for policyholders. These changes may go beyond what state guidelines require.

### Highlights

To help businesses and individuals maintain access to insurance, states have begun requiring insurers to provide certain protections with respect to premiums and coverage, such as:

- Grace periods for premium payments;
- Expanded health insurance eligibility; and
- Special enrollment for individual health insurance.

*State-mandated protections with respect to premiums and coverage in light of the coronavirus outbreak will vary and may change quickly.*

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