BERGER SINGERMAN
FLORIDA'S BUSINESS LAW FIRM

INSURANCE CARRIER CONTINUITY PLANS IN THE ERA OF COVID-19

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By: Madelyn Rodriguez

In response to the state of Florida's COVID protocols and declaration of emergency, the Florida Office of Insurance Regulation (OIR) has issued an informational memorandum (OIR-20-03M) providing guidance and reporting requirements for all insurers and entities regulated by OIR. To protect members of the public, insurance carriers have been directed to heed all recommendations from the Centers for Disease Control and the Department of Health. OIR has directed all insurance carriers to review and update their Business Continuity Plans and/or Continuity of Operation Plans. These plans must provide a framework for the continuation of operations, including key insurance functions such as policy issuance, premium collection, claims adjustment and payment, and policyholder service. The plans should consider all guidance issued at the state and national levels and account for potential impacts of COVID-19. Insurance carriers should review and consider the effects and responses necessary with regard to essential operations, key personnel, supply chains, vendors, contractors, and policyholders.

OIR's memorandum also sets forth reporting requirements for all insurance carriers or other entities regulated by OIR. Specifically, an insurance carrier must notify OIR, within the same day, if it activates its Business Continuity and/or Continuity of Operations Plan. Similarly, if an insurance carrier's business operations are compromised to the extent that it jeopardizes the carrier's ability to provide essential services to policyholders, the carrier must immediately notify OIR and advise of the extent to which business operations are compromised. OIR's requirements should help ensure that carriers are properly planning for and responding to COVID-19 so as to minimize disruptions to Florida policyholders. We anticipate that OIR will provide additional guidance in the coming days and weeks as this situation continues to unfold.

Should you have any questions or concerns about your policy, your claim, or your insurance carrier's obligations in the midst of the response to COVID-19, please do not hesitate to contact Michael J. Higer of Berger Singerman's Insurance Team.

The COVID-19 pandemic is creating rapidly-changing issues for businesses, and government aid processes and measures designed to assist businesses may also change materially from when this post is issued. We therefore encourage you to monitor our website, review our future posts and generally remain alert for additional updates or modifications to laws and regulations.

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