



## **INSURANCE INDUSTRY RESPONSE TO COVID-19**

**March 18, 2020**

The life and health insurance industry is committed to the well-being, including the financial well-being, of Illinois employers, individuals and their families. The COVID-19 crisis has inevitably generated a great deal of uncertainty for Illinois consumers and the industry is working diligently to live up to this commitment while also navigating these uncertain times in its own business and regulatory compliance operations.

Each company has responded to the crisis in a way that is unique to serving the specific needs of their customers, but ILHIC has summarized some of the notable ways in which Illinois life and health insurers are serving their customers to date.

### **Life Insurance Benefits**

The impact of the COVID-19 crisis on our state and our nation is profound, but it has its most profound impact when it claims the life of a loved one. Unfortunately, Illinois has experienced its first loss of life due to the virus and while nothing can replace a life lost, the life insurance industry provides a critical benefit to those loved ones who have experienced loss.

Life insurance benefits offer protection against financial hardships that can add to the emotional stress of loss, with benefits covering everything from funeral expenses to loss of household income. In 2018, the life insurance industry paid out more than \$4.4 billion in benefits to Illinois consumers, which accounts for more than \$12 million in benefits paid out each day.

While ILHIC and its member companies hope that the loss of life related to COVID-19 is minimal, the life insurance industry stands ready to continue delivering upon those benefits to Illinois consumers to provide piece of mind at a time they need it most.

### **Health Insurance Coverage Flexibility**

The health insurance industry is addressing the financial uncertainties related to the virus by removing cost-sharing and prior authorization requirements for testing related to diagnosis of COVID-19, including some services related to the treatment of the novel coronavirus. In recognition of CDC and state health department guidance to mitigate exposure risks, carriers have removed barriers to customer, as well as provider, access to telehealth services to address public health and personal health matters to avoid in-person office visits.

Health insurers have also provided greater flexibility in prescription drug refill requirements to ensure that individuals and their family members do not experience disruption in their maintenance medications.

Additionally, companies have enhanced resources to help customers navigate questions regarding coverage concerns, including providing services and supports for customers who may be experiencing behavioral health risks that can emerge during events like the current public health crisis.

All member health insurance companies that offer fully-insured individual, family, and/or small and large group health plans also maintain a dedicated webpage to disseminate information related to the latest CDC guidance, as well as information and FAQs related to coverage associated with COVID-19:

- Cigna – [Coronavirus Resource Center](#)
- CVS Health (Aetna) – [COVID-19 Resource Center](#)
- Health Alliance – [Coronavirus \(COVID-19\) Information and Updates](#)
- Humana – [Coronavirus: what to know and what to do now](#)
- Quartz – [Benefit Enhancements for COVID-19](#)
- UnitedHealthcare - [COVID-19 Resources](#)

Additionally, our national partner – America’s Health Insurance Plans (AHIP) – has also developed a website containing updated FAQs related to COVID-19 coverage: [COVID-19 FAQs](#)

### **Business Continuity Measures**

Life and health insurance companies are also executing on business continuity plans that protect the health and well-being of their own employees while also maintaining customer-facing operations that are not as readily visible as some of the benefit enhancements extended to members during this public health crisis.

Business continuity plans provide for the ongoing processing of claims, for example, including the potential for increased claims processing needs, as well as ensuring customers have access to their respective policy benefits. Additionally, most companies have access to online services and supports to serve customer needs at any given time, but these remote accessing customer assistance tools are especially vital at a time when extraordinary measures are needed to mitigate exposure risks.

### **Managing Risk, Uncertainty, and Regulatory Opportunities**

The industry’s immediate focus is partnering with our federal and state public health officials to ensure the health and safety of all consumers and the workforce at large is addressed. The economic and financial security of consumers and our business community is also an integral part of restoring stability as we work to mitigate the spread of COVID-19.

Short-term disability income policies are an example of those benefits that provide financial security to individuals and families, including employers, at a time when their employees may need to access paid leave for medical reasons or for taking care of a loved one with medical needs.

The rapidly changing economic and market conditions have also generated questions and concerns about consumer investment and retirement strategies. The life insurance industry continues to work with its customers to respond to those questions and concerns and provide guidance that balance customer financial planning goals with the current market conditions.

The fluctuating market conditions mean that our insurer members have to remain agile in their navigation of these economic uncertainties and work closely with our state and federal regulatory bodies to address regulatory concerns that do not currently contemplate the environment in which the industry and its customers are operating.

ILHIC along with our national partner organization representing the life insurance industry - the American Council of Life Insurers (ACLI) – is currently working with state regulators through the National Association of Insurance Commissioners (NAIC) to address regulatory concerns and opportunities in this current environment.

Additionally, ACLI has a dedicated [website](#) with information regarding ways in which the life insurance industry is working with its customers during the COVID-19 pandemic.