

# **Maryland Insurance Administration**

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Advocacy Unit

Michael Paddy – Director of Government Relations

Dy Reed – Assistant Director of Government Relations

Van Dorsey - Counsel

# **Property and Casualty Bulletins and Advisory**

Non-payment policy cancellations (Bulletin # 20-10)

Commercial Use exclusion in PPA policies (Bulletin #20-15)

Commercial Fleet Vehicle Registrations (Bulletin #20-18)

W/C and other payroll based rated policies (Bulletins #20-20 and #20-21)

Rate / Premium Relief (Bulletin #20-12)

Business Interruption Insurance (Consumer Advisory)

LARRY HOGAN  
Governor

BOYD K. RUTHERFORD  
Lt. Governor



AL REDMER, JR.  
Commissioner

JAY COON  
Deputy Commissioner

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[www.insurance.maryland.gov](http://www.insurance.maryland.gov)

**BULLETIN NO. 20-10**

**DATE:** March 20, 2020

**TO:** All Life & Health Insurers, Nonprofit Health Service Plans, Health Maintenance Organizations, Dental Plan Organizations (“Life & Health Carriers”), Property & Casualty Insurers and Producers; the Maryland Automobile Insurance Fund; the Chesapeake Employers Insurance Company; All Premium Finance Companies

**RE:** Cancellation of Life & Health and Property & Casualty insurance policies and contracts due to non-payment premium during the COVID-19 State of Emergency

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On March 5, 2020 Governor Lawrence J. Hogan, Jr. declared a State of Emergency for the entire State as a result of the COVID-19 virus. As a result of this event, the daily lives of Maryland citizens have been disrupted in significant fashion. Business closures and social distancing restraints have resulted in economic hardship for many citizens of the State.

In light of these difficult circumstances, I encourage all Life & Health Carriers and Property and Casualty Insurers doing business in the State to make reasonable accommodations so that individuals and businesses do not lose coverage due to non-payment of premium during this emergency. Reasonable accommodations may include suspension of premiums due, extension of billing due dates and premium grace periods, and waiver of installment and late payment fees. Insurers should take steps to encourage policyholders to use electronic payment technology on websites, apps and electronic bank transfers whenever possible. This Bulletin applies to both personal and commercial lines of property and casualty insurance and all lines of life and health insurance.

ALFRED W. REDMER, JR.  
Commissioner

Signature on original  
By: \_\_\_\_\_

*Special Note: The Maryland Insurance Administration remains fully operational during the COVID-19 emergency. If you would like to file an insurance complaint, please use our online portal:*  
<https://enterprise.insurance.maryland.gov/consumer/ConsumerPortalWelcomePage.aspx>

***About the Maryland Insurance Administration***

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**BULLETIN NO. 20-15**

**DATE:** March 30, 2020

**TO:** All Property & Casualty insurers writing Private Passenger Automobile (“PPA”) Liability Coverage

**RE:** Commercial use exclusion in PPA policies

On March 5, 2020, Governor Lawrence J. Hogan, Jr. declared a State of Emergency for the entire State as a result of the COVID-19 virus. As a result of this event, the lives and livelihoods of Maryland residents have been adversely affected. In many cases, residents of the State have lost jobs and income streams. Some State residents have chosen to take on new jobs providing delivery services for food, medicine and other household essentials using their personal automobiles.

Private passenger automobile (“PPA”) policies typically contain language that eliminates or limits liability coverage for an insured’s commercial use of their vehicle(s). In Maryland, case law mandates that such exclusions may only apply to amounts in excess of the State’s mandatory minimum limits. One major market share PPA insurer group in Maryland has informed the Insurance Administration of its desire to temporarily waive the commercial use exclusion for the duration of the COVID-19 emergency. This will allow its insureds to be protected to the full extent of their liability coverage limits when using their vehicle(s) to deliver goods to residents of the State for pay. These citizens will be able to restore income streams without undue insurance worries.

The Insurance Administration applauds this action and strongly encourages other PPA insurers operating in Maryland to follow suit. Insurers may make an endorsement form filing that temporarily suspends the commercial use exclusionary language in their contracts. The Insurance Administration will waive the fee for such filings and will review and approve the filing, if possible within 24 hours of submission. Providing coverage in this manner may begin immediately.

Please contact the Associate Commissioner for Property & Casualty, Mr. Robert Baron (410.468.2353 / [Robert.Baron@Maryland.gov](mailto:Robert.Baron@Maryland.gov)) with any questions concerning this Bulletin.

ALFRED W. REDMER, JR.  
Commissioner

Signature on original

By: \_\_\_\_\_

Robert Baron  
Associate Commissioner, Property & Casualty

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**BULLETIN No. 20-18**

**DATE:** April 6, 2020

**TO:** All Property & Casualty Insurance Companies and Producers

**RE:** COVID-19 / Motor Vehicle Registrations / Commercial Automobiles and Fleets

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On March 5, 2020, Governor Lawrence J. Hogan, Jr. declared a State of Emergency for the entire State as a result of the COVID-19 virus. As a result of this event the lives and livelihoods of Maryland residents have been adversely affected. Owners of vehicles registered in the State may be looking for ways to cut expenses and may be considering the option of returning registration plates (license plates) and dropping their insurance coverage. **Please note that driving an uninsured vehicle is illegal and can result in significant personal liability for damage and injury to others in the event of an accident.**

Like most State agencies, the Maryland Department of Transportation Motor Vehicle Administration's ("MDOT MVA") offices are presently closed to the public. However, license plates can be dropped off at the MDOT MVA's 24 hour drop boxes in Baltimore City, Columbia, Gaithersburg, Glen Burnie, Salisbury office, Westminster and Walnut Hill. Plates can also be mailed to the Glen Burnie location at 6601 Ritchie Highway, Glen Burnie 21062. You should document the date and time of drop off or mailing of plates by photo, video and / or mailing method.

The MDOT MVA issued the following statement regarding the suspension of insurance lapse fines during the State of Emergency:

<http://www.mva.maryland.gov/vehicles/insurance/>

The Insurance Administration notes that owners of multiple vehicles, including commercial fleets, may wish to put some vehicles out of service during the State of Emergency in order to discontinue coverage for those vehicles and save the attendant premium. Such policyholders may provide a list of the out of service vehicles to their insurer and request

premium modification. Insurers are encouraged to work with policyholders to make these premium reductions without the return of tags. This will eliminate the need to re-register vehicles after the State of Emergency ends. **Policyholders must not use vehicles that have been reported to an insurer as being out of service for any reason until after notifying the insurer that the vehicle is being put back into service.**

ALFRED W. REDMER, JR.  
Commissioner  
Signature on original  
By: \_\_\_Robert Baron, \_\_\_\_\_  
Associate Commissioner  
Property & Casualty

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AL REDMER, JR.  
Commissioner

JAY A. COON  
Deputy Commissioner

### **BULLETIN No. 20-20**

**DATE:** April 13, 2020  
**TO:** All Property & Casualty Insurance Companies and Producers  
**RE:** Commercial Insurance / COVID-19

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On March 5, 2020, Governor Lawrence J. Hogan, Jr. declared a State of Emergency for the entire State as a result of the COVID-19 virus. As a result of this event, Maryland's business community is facing unprecedented operational and financial challenges. Accordingly, the Maryland Insurance Administration ("Insurance Administration") seeks the full cooperation of all property and casualty insurers writing commercial policies in the State with respect to the following issues:

#### **1) Policies rated using estimated payroll / revenue:**

Some commercial lines of business, including but not limited to workers compensation and commercial general liability, are priced based on an estimate of the annual payroll or revenue of the insured. The policy premium is then adjusted (up or down) at the end of the policy period by reconciling the estimated payroll or revenue with the actual payroll or revenue at the conclusion of the policy period. Many commercial policyholders are reporting furloughs and layoffs of employees driving payroll down and substantial loss of revenue. All insurers writing commercial policies of this sort should work with producers to accommodate policyholder requests for mid-term revisions to premium based on COVID-19 related changes in payroll or revenue rather than waiting for actual payroll / revenue results at the close of a policy period.

#### **2) Short-rate penalty policy provisions**

Some commercial policies contain short-rate penalty provisions for mid-term non-payment cancellations or other cancellation requests from the insured. The Insurance Administration requests all insurers to waive or reduce to the greatest extent possible short-rate cancellation penalties during the COVID-19 crisis.

### 3) Use of credit for underwriting

Some commercial insurers utilize credit / financial rating reviews of applicants and insureds for pricing and / or payment plan eligibility. The Insurance Administration requests insurers that utilize credit / financial rating reviews in this manner to take into consideration the unforeseeable economic impact of COVID-19 and to minimize to the greatest extent possible adverse pricing impact and eligibility outcomes for applicants and insureds resulting from the crisis. To the extent possible, insurers should weight such reviews heavily on pre-COVID-19 data; and, minimize the impact of COVID-19 by reviewing an insured's or applicant's credit / financial history over a period of several years.

### 4) COVID-19 claim inquiries

The Insurance Administration published an Advisory on March 18, 2020 advising consumers that Business Interruption claims arising from COVID-19 are typically not covered under commercial insurance contracts. The Insurance Administration requests all commercial insurers to refrain from attaching any adverse underwriting or pricing outcomes for insureds who have made inquiries or filed Business Interruption claims that have not resulted in a claim payment.

As always, the Insurance Administration appreciates the cooperation of our licensees in these challenging times. Please contact the Associate Commissioner for Property & Casualty, Robert Baron ([Robert.Baron@Maryland.gov](mailto:Robert.Baron@Maryland.gov) / 410.468.2353) with any questions concerning this Bulletin.

***Special Note: The Maryland Insurance Administration remains fully operational during the COVID-19 emergency. If you would like to file an insurance complaint, please use our online portal:***

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**BULLETIN No. 20-21**

**DATE:** April 24, 2020

**TO:** All Property & Casualty Insurance Companies and Producers and the Chesapeake Employers Insurance Company

**RE:** COVID-19 / Workers' Compensation Insurance

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On March 5, 2020, Governor Lawrence J. Hogan, Jr. declared a State of Emergency for the entire State as a result of the COVID-19 virus. As a result of this event, Maryland's business community, including small, medium and large employers, are facing unprecedented operational and financial challenges. The Maryland Insurance Administration ("Insurance Administration") has reviewed and approved two (2) recent filings from our authorized workers' compensation rating organization, the National Council on Compensation Insurance ("NCCI"). Please take note of the following important information:

**NCCI-132328770**

In recognition that claims will be filed by employees asserting that they were exposed to and contracted COVID-19 in the workplace, NCCI and other workers' compensation ("W/C") rating organizations will need to track such claims. Accordingly, NCCI filed and the Insurance Administration approved, updates to NCCI's Statistical Plan for Workers' Compensation and Employers Liability Insurance ("Statistical Plan") creating uniform codes for the tracking of COVID-19 injuries, losses and expenses. The use of these codes by all W/C rating organizations will promote consistency of data analysis moving forward in the industry. The effective date for the use of these codes is December 1, 2019.

Please note that the creation of these new codes does not mean that any or all claims for COVID-19 related injury are compensable. Each state has its own laws, regulations and case law history that determine the compensability of any individual claim. Additionally, the Insurance Administration does not determine compensability for W/C claims, which falls under the regulatory purview of the Maryland Workers' Compensation Commission.

## **NCCI-132346721**

In recognition that W/C policies are priced based on the employer's estimated and audited actual payroll amounts, the Insurance Administration issued Bulletin #20-20 on April 13, 2020 encouraging insurers to adjust premiums mid-term as needed to reflect reductions in payroll and provide attendant premium relief. The Insurance Administration also interacted with NCCI regarding the need to exclude payroll from premium calculations for employees that are being paid by an employer but are not working at all due to the COVID-19 crisis. As a result, NCCI filed and the Insurance Administration has approved changes to the Statistical Plan and the Basic Manual for Workers' Compensation and Employers Liability Insurance ("Basic Manual").

These temporary rule changes allow for the exclusion of payroll for workers' who are **not performing any employment functions** but are still being paid by the employer. The rules specify that the employer must be able to document this payroll segment in order to exclude such payroll amounts. The Basic Manual and Statistical Plan updates provide definitions of terms, reporting rules and all relevant information needed to calculate premium based on payroll circumstances specific to COVID-19. The effective date for these rule changes is March 1, 2020, with a current expiration of December 31, 2020. The expiration date may be revised in either direction as developments warrant.

NCCI member insurance companies should review the complete filings noted above in SERFF. A public access link to SERFF is also available on the Insurance Administration's website ([www.insurance.maryland.gov](http://www.insurance.maryland.gov)) under Quick Links (click on "Public Documents" then "Rates and Forms Filings"). Questions from NCCI member companies regarding the application of COVID-19 related changes to the Statistical Plan or Basic Manual should be directed to the member company's NCCI contact.

As always, the Insurance Administration appreciates the cooperation of our licensees in these challenging times. Please contact the Associate Commissioner for Property & Casualty, Robert Baron ([Robert.Baron@Maryland.gov](mailto:Robert.Baron@Maryland.gov) / 410.468.2353) with any questions concerning this Bulletin.

12

***Special Note: The Maryland Insurance Administration remains fully operational during the COVID-19 emergency. If you would like to file an insurance complaint, please use our online portal:***

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### **BULLETIN NO. 20-12**

**DATE:** March 23, 2020

**TO:** All Property & Casualty insurers, the Maryland Automobile Insurance Fund, the Chesapeake Employer Insurance Company and the Joint Insurance Association

**RE:** Property & Casualty Temporary Rate Relief Filings

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On March 5, 2020, Governor Lawrence J. Hogan, Jr. declared a State of Emergency for the entire State as a result of the COVID-19 virus. As a result of this event, the daily lives of Maryland citizens have been disrupted in significant fashion. Business closures and social distancing restraints have resulted in economic hardship for many citizens of the State. Some of these hardships will actually result in less exposure to loss costs in certain property and casualty lines of business.

For example, as citizens work from home with increased frequency and remain home rather than seeking goods, services and entertainment in the community, traffic on our roads is greatly reduced. This results in lower exposure to loss costs in the motor vehicle property and liability lines. Likewise, both commercial and personal liability exposures decrease with great reductions in customer traffic and social visitations.

Accordingly, the Maryland Insurance Administration encourages all Property & Casualty insurers to consider making rate filings that provide temporary relief to insureds during this emergency. Filings may take the form of a premium discount for specific perils or coverages, or any other appropriate reduction in premium commensurate with reduced loss exposure. The Maryland Insurance Administration will waive filing fees for rate relief filings and provide expedited review. Please contact the Director of the Rates and Forms Unit, Ron Coleman ([ronald.coleman@maryland.gov](mailto:ronald.coleman@maryland.gov) / 410.468.2310) or Associate Commissioner Robert Baron ([robert.baron@maryland.gov](mailto:robert.baron@maryland.gov) / 410.468.2353) with any questions in this regard.

ALFRED W. REDMER, JR.  
Commissioner

Signature on original

By: \_\_\_\_\_

Robert Baron  
Associate Commissioner, Property & Casualty

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News Release

## Maryland Insurance Administration

Larry Hogan, Governor    Boyd K. Rutherford, Lt. Governor  
Al Redmer, Jr., Commissioner    Jay Coon, Deputy Commissioner

FOR IMMEDIATE RELEASE:  
3/18/2020

FOR INFORMATION, CONTACT:  
[Craig Ey](mailto:Craig.Ey@md.gov), 410-468-2488

### **Maryland Insurance Administration Advisory on Business Interruption Insurance**

**BALTIMORE** – The Maryland Insurance Administration is receiving a high volume of inquiries about Business Interruption insurance.

Business Interruption coverage is typically triggered under a commercial insurance policy when a covered risk / peril causes physical damage to the insured premises resulting in the need to shut down business operations. For example, if a fire damages a business and the business cannot operate during repairs, business interruption coverage would be available subject to the terms and limits in the policy.

Most policies require a waiting period of 24 to 72 hours before coverage begins and coverage continues for the reasonable period of time to restore the property and reopen, subject to the coverage limit of liability. Some commercial policies provide Business Interruption coverage when a business is shut down due to an Order by a civil authority. However, the policy still typically requires a physical loss from a covered peril as the underlying cause of the business shut down to apply.

All insurance policies have exclusions of coverage for risks that are too great to be underwritten at an affordable price. For example, commercial and personal property insurance policies typically contain specific exclusions for loss or damage caused by war, nuclear action and radiation. The potential loss costs from such perils are so extreme that providing coverage would jeopardize the financial solvency of property insurers. Global pandemics like COVID-19 usually fall into this category. However, policies can be different. We recommend that businesses review their policies and reach out to their insurance professionals with any questions.

The Maryland Insurance Administration would like to reassure Maryland businesses that we are closely monitoring insurance issues related to COVID-19. Our core mission is making sure insurance companies treat customers fairly and follow the provisions in their policy and applicable state laws. We are monitoring relief activity efforts aimed at assisting individuals and businesses at the local, state and federal levels. As information regarding relief programs becomes available, it will be posted on our website: [www.insurance.maryland.gov](http://www.insurance.maryland.gov).

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# **Life and Health Bulletins and Regulations**

Rx Drug Refills and Recommended Health Carrier Actions (Bulletin # 20-05)

Emergency Regulations – COVID-19 Testing, Diagnosis and Vaccination  
(COMAR 31.01.02.03,.06)

COVID-19 Testing, Diagnosis and Vaccination – Cost-Sharing and Utilization Review  
(Bulletin #20-06)

Emergency Regulations – Utilization Review and PBM Audits  
(COMAR 31.01.02.02,.06)

Audits of Pharmacies (Bulletin #20-22)

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### **BULLETIN 20-05**

**To:** All Health Carriers

**Re:** COVID 19

**Date:** March 6, 2020

On March 5, 2020, Governor Larry Hogan issued a Proclamation declaring a State of Emergency and that a Catastrophic Health Emergency exists in the State of Maryland.

A new Coronavirus (“COVID-19”) has been detected in humans, and cases have been confirmed in the United States, including in Maryland. The spread of COVID-19 has disrupted supply chains and led to quarantines in areas where it has spread. Individuals who require prescription medications may find that their access to the medications is disrupted. Insurers, health maintenance organizations, and nonprofit health service plans (collectively, “carriers”) that issue health benefit plans in the State are directed to take steps to ensure that they are prepared to address COVID-19 cases and provide all medically necessary covered health services..

Pursuant to § 2-115 of the Insurance Article and COMAR 31.01.02.06, the Commissioner is invoking his emergency powers. As a result, carriers are required to waive any time restrictions on prescription medication refills and authorize payment to pharmacies for at least a 30-day supply of any prescription medication, regardless of the date upon which the prescription medication had most recently been filled by a pharmacist. This will allow individuals to obtain medications in advance of any quarantine. Co-payments and deductibles may apply to the prescription medication refills, in accordance with the terms of the carrier’s contract or policy.

Carriers are urged to engage in focused member education and outreach regarding insurance coverage of medically necessary health care services for COVID-19 prevention, diagnosis, and treatment. Subject to guidance provided by public health officials, carriers are also encouraged to provide members with access to general information regarding COVID-19, including symptoms of the virus and strategies to prevent exposure and transmission. Carrier websites and nurse-help lines may be useful resources to provide this information.

Carriers should review their provider panels to ensure members have reasonable access to providers with the expertise to treat severe cases of COVID-19. Carriers should plan for granting out-of-network referrals pursuant to § 15-830 of the Insurance Article if there are not sufficient numbers of appropriately

qualified providers in the provider panel to treat COVID-19. If out-of-network referrals are necessary, carriers are encouraged to enter into agreements with providers to prevent balance billing of members.

The Commissioner will promulgate emergency regulations to require health carriers to:

- Waive any cost-sharing, including co-payments, coinsurance and deductibles, for any visit to diagnose or test for COVID-19 regardless of the setting of the testing (for example emergency rooms, urgent care centers, and a primary physician's office).
- Waive any cost-sharing, including co-payments, coinsurance, and deductibles, for laboratory fees to diagnose or test for COVID-19.
- Waive any cost-sharing, including co-payments, coinsurance and deductibles, for vaccination for COVID-19.
- Make a claims payment for treatment for COVID-19 that the health carrier has denied as experimental.
- Evaluate a request to use an out of network provider to perform diagnostic testing of COVID-19 solely on the basis of whether the use of the out of network provider is medically necessary or appropriate.
- Limit prior authorization requirements for testing for COVID-19 to only those requirements that are based on the medical necessity of that testing.
- Treat an adverse decision on a request for coverage of diagnostic services for COVID-19 as an emergency case for which an expedited grievance procedure is required under Insurance Article, §15-10A-02, Annotated Code of Maryland.

In the interim, given the need to test for COVID-19 and prevent its spread, carriers are asked to consider taking the following steps:

- Remove cost barriers to testing. Carriers are requested to waive cost-sharing for in-network provider office visits and in-network urgent care center visits which result in testing for COVID-19. Carriers are reminded that if they are unable to provide reasonable access to an in-network provider, § 15-830 of the Insurance Article requires coverage from an out-of-network provider to be provided at the in-network cost-sharing level. Carriers are also requested to waive the cost-sharing for an emergency department visit with testing for COVID-19.
- Encourage the use of telehealth services, as appropriate, by all members to reduce the likelihood of exposure to and transmission of COVID-19.
- Consider treatment of COVID-19 an emergency case for purposes of expediting a review of an adverse decision.

20

Questions about this Bulletin may be directed to the Life & Health Unit of the Maryland Insurance Administration at 410-468-2170.

AL REDMER, JR.  
Commissioner

By:

\_\_\_\_\_  
David Cooney  
Associate Commissioner

# Title 31 MARYLAND INSURANCE ADMINISTRATION

## Subtitle 01 GENERAL PROVISIONS

### Chapter 02 Emergency Powers

Authority: Health-General Article, §19-706; Insurance Article, §2-115; Annotated Code of Maryland

#### 3. Definitions.

A. (text unchanged)

B. Terms Defined.

(1) – (10) (text unchanged)

(11) *"Copayment" means a specified charge that a covered person shall pay each time services of a particular type or in a designated setting are received.*

(12) *"COVID-19" means, interchangeably and collectively, the coronavirus known as COVID-19 or 2019-nCoV and the SARS-CoV-2 virus.*

(13) *"Deductible" means the amount of allowable charges that shall be incurred by an individual or family per year before a carrier begins payment.*

[(11)] (14) – [(23)] (26) (text unchanged)

#### 6. Life and Health.

A. The bulletin issued by the Commissioner under Regulation .05 of this chapter may require health carriers to:

(1) – (4) (text unchanged)

(5) *Except as provided in §§J and K of this regulation, waive any cost-sharing, including co-payments, coinsurance and deductibles, for any visit to diagnose or test for COVID-19 regardless of the setting of the testing (for example emergency rooms, urgent care centers, and a primary physician's office);*

(6) *Except as provided in §§J and K of this regulation, waive any cost-sharing, including co-payments, coinsurance, and deductibles, for laboratory fees to diagnose or test for COVID-19; and*

(7) *Except as provided in §§J and K of this regulation, waive any cost-sharing, including co-payments, coinsurance and deductibles, for vaccination for COVID-19.*

B. – E. (text unchanged)

F. *The Commissioner may require a health carrier to make a claims payment for treatment for COVID-19 that the health carrier has denied as experimental.*

G. *A health carrier shall evaluate a request to use an out of network provider to perform diagnostic testing of COVID-19 solely on the basis of whether the use of the out of network provider is medically necessary or appropriate.*

H. *The only prior authorization requirements a health carrier may utilize relating to testing for COVID-19 shall relate to the medical necessity of that testing.*

I. *An adverse decision on a request for coverage of diagnostic services for COVID-19 shall be considered an emergency case for which an expedited grievance procedure is required under Insurance Article, §15-10A-02, Annotated Code of Maryland.*

J. *The requirements of §§ A(5), (6), and (7) of this regulation do not apply to a Medicare supplement policy as defined by Insurance Article, §15-901(k), Annotated Code of Maryland.*

K. *A carrier is not required to waive the deductible for an insured covered under a high deductible health plan, as defined in 26 U.S.C. § 223, if the waiver of the deductible would disqualify the plan from being considered a high deductible health plan under federal law.*

LARRY HOGAN  
Governor

BOYD K. RUTHERFORD  
Lt. Governor



AL REDMER, JR.  
Commissioner

JAY COON  
Deputy Commissioner

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202  
1-800-492-6116 TTY: 1-800-735-2258  
www.insurance.maryland.gov

### **BULLETIN 20-06**

**To:** All Health Carriers

**Re:** COVID 19 Follow Up

**Date:** March 10, 2020

On March 5, 2020, Governor Larry Hogan issued a Proclamation declaring a State of Emergency and that a Catastrophic Health Emergency exists in the State of Maryland. On March 6, 2020, the Maryland Insurance Administration issued Bulletin 20-05 regarding COVID 19. On March 9, 2020, changes to Code of Maryland Regulations (“COMAR”) 31.01.02.03 and .06 took effect on an emergency basis.

Pursuant to § 2-115 of the Insurance Article and COMAR 31.01.02.05 and 06, the Commissioner is invoking his emergency powers and the provisions of COMAR 31.01.02.06A(5), (6) and (7) and F through K are activated. As a result, health carriers are required to:

- Waive any cost-sharing, including co-payments, coinsurance, and deductibles for any visit to diagnose or test for COVID-19 regardless of the setting of the testing.
- Waive any cost-sharing, including co-payments, coinsurance, and deductibles for laboratory fees to diagnose or test for COVID-19.
- Waive any cost-sharing, including co-payments, coinsurance and deductibles for vaccination for COVID-19, when a vaccine becomes available.
- Evaluate a request to use an out-of-network provider to perform diagnostic testing of COVID-19 solely on the basis of whether the use of the out-of-network provider is medically necessary or appropriate.
- Consider an adverse decision on a request for coverage of diagnostic services for COVID-19 an emergency case for which an expedited grievance procedure is required under § 15-10A-02 of the Insurance Article.

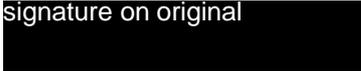
The only prior authorization requirements a health carrier may utilize relating to testing for COVID-19 shall relate to the medical necessity of the testing.

The cost-sharing waivers do not apply to a Medicare supplement policy as defined by § 15-901(k) of the Insurance Article. A carrier is not required to waive the deductible for a high-deductible health plan, if the waiver of the deductible would disqualify the plan from being considered a high deductible health plan under federal law.

These regulations shall be in effect along with those activated in Bulletin 20-05 until the emergency declaration is lifted or the Commissioner issues a Bulletin deactivating the regulations at issue.

Questions about this Bulletin may be directed to the Life & Health Unit of the Maryland Insurance Administration at 410-468-2170.

AL REDMER, JR.  
Commissioner

By:  signature on original  
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David Cooney  
Associate Commissioner

# Title 31 MARYLAND INSURANCE ADMINISTRATION

## Subtitle 01 GENERAL PROVISIONS

### Chapter 02 Emergency Powers

Authority: Health-General Article, §19-706; Insurance Article, §2-115; Annotated Code of Maryland

#### 2. Applicability.

A. This chapter applies to:

(1) – (2) (text unchanged)

(3) *Each pharmacy benefits manager registered to do business in Maryland.*

B. (text unchanged)

#### 6. Life and Health.

A.– G. (text unchanged)

H. *Subject to §M of this regulation, the [The] only prior authorization requirements a health carrier may utilize relating to testing for COVID-19 shall relate to the medical necessity of that testing.*

I.– K. (text unchanged)

L. *The Commissioner may require pharmacy benefits managers and health carriers to suspend random audits, including, but not limited to in-person or “desk” audits, of pharmacies, unless there is a reasonable suspicion of fraud.*

M. *The Commissioner may require health carriers to suspend, waive, or modify requirements related to prior authorization, concurrent review, retrospective review, and notification of inpatient acute care, post-discharge care, and facility transfers.*

LARRY HOGAN  
Governor

BOYD K. RUTHERFORD  
Lt. Governor



AL REDMER, JR.  
Commissioner

JAY COON  
Deputy Commissioner

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### **BULLETIN 20-22**

**DATE:** April 30, 2020  
**TO:** All Health Carriers  
**RE:** COVID-19 State of Emergency: Audits of Pharmacies

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On March 5, 2020, Governor Larry Hogan issued a Proclamation declaring a State of Emergency and that a Catastrophic Health Emergency exists in the State of Maryland. On April 28, 2020, changes to Code of Maryland Regulations (“COMAR”) 31.01.02.02 and .06 took effect on an emergency basis.

Pursuant to § 2-115 of the Insurance Article and COMAR 31.01.02.05 and 06, the Commissioner is invoking his emergency powers to activate COMAR 31.01.02.06L, which provides: “The Commissioner may require pharmacy benefits managers and health carriers to suspend random audits, including, but not limited to in-person or ‘desk’ audits, of pharmacies, unless there is a reasonable suspicion of fraud.”

These regulations shall be in effect along with those activated in Bulletins 20-05 and 20-06 until the emergency declaration is lifted or the Commissioner issues a Bulletin deactivating the regulations at issue.

Questions about this Bulletin may be directed to the Life & Health Unit of the Maryland Insurance Administration at 410-468-2170.

AL REDMER, JR.  
Commissioner

By:

signature on original

David Cooney  
Associate Commissioner

*Special Note: The Maryland Insurance Administration remains fully operational during the COVID-19 emergency. If you would like to file an insurance complaint, please use our online portal:*

<https://enterprise.insurance.maryland.gov/consumer/ConsumerPortalWelcomePage.aspx>

### *About the Maryland Insurance Administration*

The Maryland Insurance Administration is an independent State agency charged with regulating Maryland's \$28.5 billion insurance industry. For more information about the Insurance Administration, please visit [www.insurance.maryland.gov](http://www.insurance.maryland.gov) or follow us on Facebook at [www.facebook.com/MDInsuranceAdmin](https://www.facebook.com/MDInsuranceAdmin), Twitter at [@MD Insurance](https://twitter.com/MD_Insurance), LinkedIn at [www.linkedin.com/company/maryland-insurance-administration](https://www.linkedin.com/company/maryland-insurance-administration) or Instagram at [@marylandinsuranceadmin](https://www.instagram.com/marylandinsuranceadmin).

# **Maryland Insurance Administration's** **Response to COVID-19**

COVID-19 Resources Page: [www.insurance.maryland.gov/COVID-19/Pages/default.aspx](http://www.insurance.maryland.gov/COVID-19/Pages/default.aspx)

- MIA bulletins
- MIA contacts
- Advisories and Notices
- Frequently Asked Questions
- Information for Producers

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