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BULLETIN 2020-11

To: All Insurance Companies, Health Maintenance Organizations, Blue Cross and Blue Shield of Massachusetts, Inc., Fraternal Benefit Societies and Workers' Compensation Self-Insurance Groups Authorized to Do Business in the Commonwealth of Massachusetts

From: Gary D. Anderson, Commissioner of Insurance

Date: April 3, 2020

Re: Flexibility for Compliance with Certain Filing Requirements in Light of COVID-19

The Division of Insurance ("Division") issues this Bulletin 2020-11 to provide guidance to all Insurance Companies, Health Maintenance Organizations, Blue Cross and Blue Shield of Massachusetts, Inc., Fraternal Benefit Societies and Workers' Compensation Self-Insurance Groups authorized to do business in the Commonwealth about flexibility in the submission of certain regulatory filings during the COVID-19 (also known as Coronavirus) public health crisis.

The Coronavirus Risk

The public health and societal impact resulting from the spread of COVID-19 is dramatically impacting the Commonwealth. On March 10, 2020, Governor Baker declared a state of emergency in the Commonwealth to respond to COVID-19 (Executive Order No. 591). It is essential that government and business leaders take all appropriate steps to safeguard the general public and well-being of the Commonwealth's citizens. Insurance coverage plays a critical role in the stability of the Commonwealth's economy and the protection of its residents. COVID-19 imposes unique risks to our insurance market that Massachusetts has not faced for at least a generation.

The spread of COVID-19 has led to limitations on business gatherings, imposition of quarantines, self-isolation, and social distancing policies by government and businesses, such as working remotely and use of virtual-only meetings and teleconferencing in lieu of in-person meetings in order to help slow the spread of the virus. The Division recognizes that COVID-19 may present challenges to Massachusetts licensed insurers and other regulated entities in meeting certain regulatory filing

requirements, particularly if, as a result of COVID-19, personnel or other third-party service providers that are necessary to prepare these regulatory submissions (reports/filings, etc.) become unavailable or only available on a limited basis. Therefore, in light of the current COVID-19 public health crisis, the Division provides this guidance and the below conditional relief and assistance with respect to certain regulatory filing requirements, consistent with efforts to slow the spread of the virus and minimize serious illness or death.

Financial Statements

Notarization / Filing of Hard Copy Originals

M.G.L. c. 175, § 25, M.G.L. c. 176G, § 10, M.G.L. c. 176, § 41, and 211 CMR 67.00, as applicable, require each licensed insurance company, health maintenance organization, fraternal benefit society and workers' compensation self-insurance group ("Insurers") to file with the Division and the National Association of Insurance Commissioners ("NAIC") true and complete reports of financial condition signed and sworn to by the appropriate officers of the Insurer. Domestic Insurers are also required to timely file with the Division a complete paper copy of the report. The requirement for having the financial statement signatures notarized, acknowledged and made under oath, as well as the requirement that hard copy original signed reports be filed with the Division shall be suspended with respect to the filing of the quarterly financial statement for the quarter ending March 31, 2020 and with respect to the filing of amendments to any previously filed financial statement, for any Insurer that is unable to do so due to circumstances related to the current COVID-19 public health crisis, provided the Insurer:

(a) first notifies the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov that it is unable to satisfy the notarization requirements for filing of the signed financial statement under oath or unable to file the hard copy of the signed original report, and provides a brief description of the reasons why it could not satisfy the requirements;

(b) provides the estimated date by which it expects to be able to fully satisfy the notarization requirements, or paper filing requirements of original signatures; and

(c) timely files with the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov an electronic copy of the signed but un-notarized domestic Insurer's financial report or amended report.

Extension of Due Date for First Quarter Financial Statements

Pursuant to M.G.L. c. 175, § 25, M.G.L. c. 176G, § 10, M.G.L. c. 176, § 41, and 211 CMR 67.00, the May 15, 2020 due date for the filing of the quarterly financial statements for the quarter ending March 31, 2020 shall be extended until June 15, 2020 for any Insurer that notifies the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov that it is unable to file the hard copy of the signed original statement, and provides a brief description of the reasons why it could not satisfy the requirements, and files with the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov an electronic copy of the Quarterly Financial Statement by June 15, 2020.

Extension of Due Date for Domestic Annual Statement Supplements
Pursuant to M.G.L. c. 175, § 25, M.G.L. c. 176G, § 10, M.G.L. c. 176, § 41, and 211 CMR 67.00, due dates for the filing of the Massachusetts domestic Annual Statement Supplements due at various filing times (including the Regulatory Asset Adequacy Issues Summary (RAAIS)), shall be extended until June 15, 2020 for any Massachusetts domestic Insurer that notifies the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov that it is unable to file the hard copy of the signed original report, and provides a brief description of the reasons why it could not satisfy the requirements, and files with the Division's Financial Surveillance Unit by email companies.mailbox@mass.gov an electronic copy of the Annual Statement Supplement(s) by June 15, 2020.

Insurance Holding Company Filings
Form B, C and F Filings – Electronic Submission and Seal
"Form B" Insurance Holding Company System Annual Registration Statement, "Form C" Summary of Changes to Registration Statement and "Form F" Enterprise Risk Report submissions made pursuant to M.G.L. c. 175, § 206C, M.G.L. c. 176G, § 28, and 211 CMR 7.00 during the state of emergency and for 10 business days after the state of emergency is terminated, shall be filed via email to companies.mailbox@mass.gov. During the state of emergency and for 10 business days after the state of emergency is terminated, the seal required on the signature page of each such Form may be omitted from the Form filing.

Forms D Filings – Electronic Submission, Seal and Division Approvals
"Form D" Prior Notice of a Transaction submissions made pursuant to M.G.L. c. 175, § 206C, M.G.L. c. 176G, § 28, and 211 CMR 7.00 during the state of emergency and for 10 business days after the state of emergency is terminated shall be filed via email to companies.mailbox@mass.gov. During the state of emergency and for 10 business days after the state of emergency is terminated, the seal required on the signature page of such Form D may be omitted from the Form D filing. Due to the potential disruption, Division approvals/disapprovals will be extended to a two-month approval/disapproval time frame.

Extension of Due Date for Form B Filings
Pursuant to M.G.L. c. 175, § 206C, M.G.L. c. 176G, §28, and 211 CMR 7.00, the due date for the filing of the "Form B" Insurance Holding Company System Annual Registration Statement, shall be extended until June 15, 2020 for any Massachusetts domestic licensed insurance company, fraternal benefit society and workers' compensation self-insurance group and until August 15, 2020 for any licensed health maintenance organization that notifies the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov that it is unable to file the hard copy of the signed original Form B, and provides a brief description of the reasons why it could not satisfy the requirements, and files with the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov an electronic copy of the Form B by the applicable extended due date.

Extension of Due Date for Form F Filings
Pursuant to M.G.L. c. 175, § 206C, M.G.L. c. 176G, §28, and 211 CMR 7.00, the due date for the filing of the "Form F" Enterprise Risk Report, shall be extended until June 15, 2020 for any

Massachusetts domestic licensed insurance company, fraternal benefit society and workers' compensation self-insurance group and until August 15, 2020 for any licensed health maintenance organization that notifies the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov that it is unable to file the hard copy of the signed original Form F, and provides a brief description of the reasons why it could not satisfy the requirements; and files with the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov an electronic copy of the Form F by the applicable extended due date.

Corporate Governance Annual Disclosure

Extension of Due Date for Corporate Governance Annual Disclosure

Pursuant to M.G.L. c. 176W, the June 1, 2020 due date for the filing of the Corporate Governance Annual Disclosure shall be extended until July 15, 2020 for any Insurer that notifies the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov that it is unable to file the hard copy of the signed original Disclosure, and provides a brief description of the reasons why it could not satisfy the requirements; and files with the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov an electronic copy of the Corporate Governance Annual Disclosure by July 15, 2020.

Audit/Internal Control Related Reports

Extension of Due Date for Audit/Internal Control Reports

The June 1, 2020 due date for the filing of certain Audit/Internal Control Related Reports by Insurers, including but not limited to 1) Accountants Letter of Qualifications, 2) Audited Financial Reports, 3) Audited Financial Reports Exemption Affidavit, 4) Independent CPA (change), and 5) Notification of Adverse Financial Condition shall be extended until July 15, 2020 for any Massachusetts domestic Insurer that notifies the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov that it is unable to file the hard copy of the signed original report, and provides a brief description of the reasons why it could not satisfy the requirements; and files with the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov an electronic copy of the applicable report by July 15, 2020.

Insurer License Applications and Amendments

Electronic Submission / Notarization

For insurance company and health maintenance organization license applications under M.G.L. c. 175, § 151, M.G.L. c. 176G, § 14, and 211 CMR 43.00, the Division will only be accepting NAIC UCAA electronic applications at this time. During the state of emergency and for a period of 10 business days after the state of emergency is terminated, the current biographical notarization requirements and any paper filing requirements of original signatures for applications shall be suspended for any insurance company or health maintenance organization that is unable to meet the current requirements due to circumstances related to the current COVID-19 public health crisis, provided the filing company:

(a) first notifies the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov that it is unable to satisfy the current notarization requirements of licensure or application delivery requirements, and provides a brief description of the reasons why it could not satisfy the requirements;

(b) provides the estimated date by which it expects to be able to fully satisfy such license application notarization requirements and/or paper filing requirements of original signatures; and

(c) files with the Division's Financial Surveillance Unit by email to companies.mailbox@mass.gov the un-notarized biographical affidavit(s) and/or an electronic copy of the signed license application/amendment.

Managed Care Accreditation Filing

Extension of Due Date for the Filing of Managed Care Accreditation Renewal Application ("Renewal Application")

Pursuant to M.G.L. c. 176O and 211 CMR 52.05(1), the July 1, 2020 due date for the filing of the Renewal Application shall be extended until August 15, 2020 for any health insurance company, Blue Cross and Blue Shield of Massachusetts, Inc. or health maintenance organization that needs to receive managed care accreditation for the two-year period beginning on November 1, 2020. The Renewal Application is to be filed via the System for Electronic Rate and Form Filings ("SERFF") according to filing guidance notices issued by the Division.

Mental Health Parity Annual Certification and Report

Extension of Due Date for the Filing of the Annual Certification and Report of Compliance with State and Federal Mental Health Parity Laws ("Annual Certification")

Pursuant to Section 254 of the Acts of Chapter 224 of the Acts of 2012 and 211 CMR 154.03(2), the July 1, 2020 due date for the filing of the Annual Certification shall be extended until August 15, 2020 for any health insurance company, Blue Cross and Blue Shield of Massachusetts, Inc. or health maintenance organization that is required to submit the Annual Certification for the prior calendar year.

Further Information

The Division intends to continue to monitor the current situation, and the time period for any or all of the relief may, if necessary, be extended with any additional conditions that are deemed appropriate. The Division may issue other relief as necessary or appropriate as the COVID-19 public health crisis progresses.

For questions about financial filings or company licensing, please contact the Division's Financial Surveillance Unit via email to companies.mailbox@mass.gov.

For questions about non-financial filings by health insurance companies, Blue Cross and Blue Shield of Massachusetts, Inc. and health maintenance organizations, please contact Niels Puetthoff, Director of the Bureau of Managed Care, at niels.puetthoff@mass.gov.