

Practical Suggestions for Insurers for Post COVID-19 Inquiries



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Almost every disaster with insurance implications is followed by some sort of regulatory or legislative inquiry. Usually it begins with a data call or a complaint inquiry and then often turns into market conduct examinations or enforcement actions.

COVID-19 is likely to follow the same path once the crisis is behind us. What can you do now to help with the post crisis inquiries?

Here are some suggestions:

1. Monitor communications from your third party partners including agents, third party administrators and reinsurers. This should include your critical infrastructure providers too. Keeping copies of the communications they provided during the crisis will provide important evidence that you were relying on their public and private statements, most of which will cease to be available at some point.
2. Inquire about these partners specific plans for compliance with your business needs. This might be as simple as a request for their compliance plan or a detailed questionnaire. It should definitely include items such as their ability to meet claims deadlines while working remotely and managing checks and other financial transactions.
3. Follow up on whatever you ask for, especially any failure to respond or provide an inadequate response.

As you probably know, you will ultimately be responsible for the performance of these partners so engaging with them now will not only help insure they are compliant but will provide important evidence that you recognized your responsibility and acted on it in a time of crisis.

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