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BULLETIN
2020-02

The following Bulletin is to advise the reader of the current position of the Kentucky Department of Insurance ("Department"), on the specified issue.

TO: NAIC DOMESTIC INSURERS FILING ON THE NAIC BLANK LICENSED BY THE KENTUCKY DEPARTMENT OF INSURANCE

FROM: SHARON P. CLARK, COMMISSIONER

RE: COMPLYING WITH REGULATORY REQUIREMENTS DURING THE COVID-19 PUBLIC HEALTH EMERGENCY

DATE: APRIL 7, 2020

Purpose

The purpose of this bulletin is for the Kentucky Department of Insurance ("Department") to advise all insurance companies regarding compliance with regulatory requirements during the COVID-19 public health emergency. (See [State of Emergency Executive Order](#)). This flexibility is being provided in part to recognize that we and other states anticipate using additional targeted information requests to gather more specific information and your prompt attention to those matters is appreciated.

To uniformly provide regulatory relief and provide company by company relief as is appropriate, the Kentucky Department of Insurance is adopting the NAIC Model Bulletin on Complying with Regulatory Requirements during the Public Health Emergency as follows:

Regulatory Filing Deadlines

At this time, companies are still required to make all required electronic filings with the NAIC (e.g., quarterly financial statements, audited financial statements), or for those that are not filed with the NAIC but to the analyst assigned to your company. However, the Department is willing to allow insurers an additional 30 days to complete most of the following filings (and 60 days for some).

To receive this extension, companies must submit a written request for late filing. The Department reserves the right to reject any such individual company requests based upon the financial condition and unique circumstances deemed applicable to that company.

If your company believes that it will not be able to meet any of the following financial filing deadlines required by law or by order, please contact the Department at DOL.FinancialStandardsMail@ky.gov and submit a hard copy of your request for waiver of the filing deadline.

Filings with a Potential 30-day Delay

- May 1, 2020 Combined Annual Statement Filing (Property);
- May 1, 2020 Combined Insurance Expense Exhibit (Property);
- June 1, 2020 Accountant's Letter of Qualifications (Property, Life/Fraternal, Health, Title); and
- August 15, 2020 PBR Exemption filing due to state 7/1 and to NAIC 8/15 (Life/Fraternal).

Filings with a Potential 60-day Delay

- June 1, 2020 Audited Financial Report (Property, Life/Fraternal, Health, Title);
- August 1, 2020 Communication of Internal Control Related Matters Noted in Audit (Property, Life/Fraternal, Health, Title);
- June 1, 2020 Corporate Governance Annual Disclosure;
- April 1, 2020 Form B Registration Statement & Related Form C;
- April 1, 2020 Risk Assessment Report (Form F); and

The filing deadlines for the components of the **2019 annual filings that, if applicable**, should be submitted **only to an insurer's state of domicile** are as follows:

- April 30, 2020 Actuarial Memorandum Required by Actuarial Guideline XXXVIII 8D (Life/Fraternal); and
- August 1, 2020 Management's Report of Internal Control Over Financial Reporting (Property, Life/Fraternal, Health, Title).

Filings with a Potential 30-day Delay

The NAIC filing deadlines and requirements for the **2020 quarterly** electronic filings are as follows, **all due May 15, 2020**:

- Quarterly Statement Filing as of March 31, 2020 (Property, Life/Fraternal, Health, Title);
- Trusteed Surplus Statement – Quarter Ending March 31, 2020 (Property, Life/Fraternal);
- Supplement A to Schedule T (Medical Professional Liability Supplement) – Quarter Ending March 31, 2020 (Property);
- Medicare Part D Coverage Supplement – Quarter Ending March 31, 2020 (Property, Life/Fraternal, Health);

- Merger/history quarterly form, if applicable (Property, Life/Fraternal, Health, Title) (electronic txt file only);
- Reasonableness of Assumptions Certification Required by Actuarial Guideline XXXV – Quarter Ending March 31, 2020 (Life/Fraternal);
- Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXV – Quarter Ending March 31, 2020 (Life/Fraternal);
- Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method Required by Actuarial Guideline XXXVI – Quarter Ending March 31, 2020 (Life/Fraternal);
- Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXVI (Updated Average Market Value) – Quarter Ending March 31, 2020 (Life/Fraternal);
- Reasonableness and Consistency of Assumptions Certification Required by Actuarial Guideline XXXVI (Updated Market Value) – Quarter Ending March 31, 2020 (Life/Fraternal); and
- Director and Officer Insurance Coverage Supplement – Quarter Ending March 31, 2020 (Property).

Electronic Filings and Signatures

Regarding filing requirements, the Department generally instructs companies to file certain documents in hard copy form with original (wet) signature to comply with NAIC filing requirements, and, in some cases, sent via certified mail or first-class and with notary requirements. The NAIC hard copy, original signature, and related filing requirements are currently waived. However, companies are expected to keep a list of all filings that were made electronically in lieu of hard copy filings so that they can file all the hard copies within 60 days after Kentucky has allowed a return to work. The Department expects electronic communication will be used by companies on all other financial related communication, with hard copies provided within 60 days if required by law.

On-site Examinations

Some insurers have inquired regarding whether the Department will continue to conduct on-site examinations during the COVID-19 pandemic. The Department will fully comply with all government directives regarding this public health emergency. The Department will not conduct any on-site examination work that is contrary to the spirit of any public health directive. To facilitate this, insurers should be aware that the Department may need to request more information in electronic form. The Department expects independent auditors will take a similar position, thus an extended due date for the filing as noted above.

Effective Date

This bulletin shall take immediate effect.

The Department acknowledges company response times may be slower as adjustments are made in response to this public health emergency. For further guidance on [Continuity of Operations](#) and other related issues, please consult the [Kentucky Department of Insurance](#) website.

For the latest information on the Coronavirus in Kentucky, please visit www.kycovid19.ky.gov.

Questions regarding this bulletin should be directed to the Financial Standards & Examinations Division, Phone (502) 564-6082; Toll Free (800) 595-6053; TTY (800) 648-6056; Fax: (502) 564-4604; or Email: DOI.FinancialStandardsMail@ky.gov.

 /s/ Sharon P. Clark
Sharon P. Clark, Commissioner
Kentucky Department of Insurance