

TO: ALL DOMESTIC INSURERS AND LICENSEES
FROM: JESSICA K. ALTMAN, INSURANCE COMMISSIONER
DATE: APRIL 13, 2020
RE: COVID-19 RELATED FINANCIAL FILINGS GUIDANCE
NOTICE NUMBER: 2020-10

The purpose of this notice is to advise all Pennsylvania domestic insurance companies regarding continued compliance with regulatory requirements during the COVID-19 public health emergency.

Extensions for Regulatory Filing Deadlines

At this time, companies are still required to make all required electronic filings (e.g., quarterly financial statements, audited financial statements) with the NAIC. Filings should also continue to be filed electronically with your company's assigned analyst. If your company believes that it will not be able to meet a deadline required by law or regulation, please contact your assigned analyst via email to request an extension in writing. The Pennsylvania Insurance Department ("Department") will consider providing insurers an additional 30 or 60 days, as provided below, to complete certain filings. The Department reserves the right to reject an extension request based upon the financial condition of the company or any other unique circumstances applicable to the company.

Filings subject to a potential 30-day extension:

- 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)
- Aug. 15, 2020 PBR Exemption filing due to state 7/1 and to NAIC 8/15 (Life/Fraternal)

Filings subject to a potential 60-day extension:

- June 1, 2020 Audited Financial Report (Property, Life/Fraternal, Health, Title)
- Aug. 1, 2020 Communication of Internal Control Related Matters Noted in Audit (Property, Life/Fraternal, Health, Title)
- June 1, 2020 Corporate Governance Annual Disclosure

Regulatory Filing Deadlines

Components of Annual Filings

The filing deadlines for the components of the 2019 annual filings, which should be submitted only to an insurer's state of domicile, are as follows.

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

Filings subject to a potential 30-day extension:

Quarterly Electronic Filings

The NAIC filing deadlines and requirements for the 2020 quarterly electronic filings, as set forth below, are 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)
- Director and Officer Insurance Coverage Supplement – Quarter Ending March 31, 2020 (Property)

Electronic Filings and Electronic Signatures

Prior to the COVID-19 crisis, the Department generally instructed companies to file documents in hard-copy form with original (wet) signature, with notary requirements. Until further notice, the hard copy, original signature, notarization and other in-person related filing requirements are currently waived. Companies shall submit all documents electronically to their assigned analyst. However, companies are expected to keep a list of all filings that were submitted electronically. Hard copies should be filed within 60 days after the Commonwealth lifts its social distancing restrictions and employees are permitted to return to work.

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 any government directives or orders regarding public gatherings and essential operations. At this time, the Department will not conduct any on-site examination work that is contrary to the spirit of any public health directive.

However, the Department will continue to engage in all examination functions that do not require employees on-site. Companies should be aware that the Department may need to request additional information in electronic form. The Department expects independent auditors will also take a similar position. The Department acknowledges that company response times may be slower as more employees work from home. However, the Department will continue to engage in all examination functions that do not require employees on-site.